

F-1
FINANCIAL ADMINISTRATION ACT
CIL F-1 (21-09-2018)
ORIGINAL ENACTMENT IL 2005-10
AMENDED IL 2011-04
AMENDED IL 2015-03
AMENDED IL 2017-02
AMENDED IL 2018-02

**AN INUIT LAW RESPECTING THE FINANCIAL ADMINISTRATION OF THE
NUNATSIAVUT GOVERNMENT**

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NOW THEREFORE BE IT ENACTED by the Assembly as follows:

Short title

1

This Act may be cited as the *Financial Administration Act*.

Definitions

In this Act:

- (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; (IL 2018-02)
- (b) "Appropriation" means the allocation by an Act of the Assembly, under a Consolidated Financial Plan or a Budget, of money to the purpose that it may be used for;
- (c) "Assembly" means the Nunatsiavut Assembly;
- (d) "Auditor" means the Auditor for Nunatsiavut appointed in terms of the Constitution;
- (e) "Banking Fund" means the Nunatsiavut Fund;
- (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; (IL 2018-02)
- (g) "Communities Joint Management Committee" means the Inuit Communities Joint Management Committee as defined in the *Inuit Communities Financial Administration Act*; (IL 2018-02)
- (h) "Consolidated Financial Plan" means the annual plan for revenues and expenditures of the Nunatsiavut Government for each fiscal year as described in Part 8.8 of the Constitution;
- (i) "Constitution" means the Labrador Inuit Constitution;
- (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; (IL 2018-02)
- (k) "Core Program" means an activity, program or service listed in Schedule "A";
- (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; (IL 2018-02)
- (m) "Effective Date" means the date on which the Labrador Inuit Land Claims Agreement is proclaimed in effect;
- (n) "Executive Council" means the executive branch or cabinet of the Nunatsiavut Government chaired by the President and composed of the President, the First Minister and the Treasurer of

Nunatsiavut and other Ministers appointed by the President pursuant to Chapter 5 of the Constitution;

- (o) "Executive Order" means a decision of the President-in-Council that has the force of law;
- (p) "Fiscal Year" means the period beginning on April 1 in one year and ending on March 31 in next year;
- (q) "Fund" means a reserve of money in the Nunatsiavut Fund set apart in the accounts of the Nunatsiavut Government for a purpose specified pursuant to section 35; (IL 2018-02)
- (r) "generally accepted accounting principles" means Canadian public sector accounting and financial reporting standards established from time to time by the Public Sector Accounting Board; (IL 2015-03)
- (s) "Labrador Inuit Association" means the corporation duly organized and existing under that name pursuant to the laws of Newfoundland and Labrador and includes its divisions, committees, commissions, subsidiaries and affiliated organizations;
- (t) "Minister" means a member of the Executive Council appointed by the President in accordance with the Constitution and this Act;
- (u) "Nunatsiavut Fund" means the consolidated revenue fund of the Nunatsiavut Government described in part 8.1 of the Constitution;
- (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; (IL 2018-02)
- (w) "President-in-Council" means the President of Nunatsiavut acting on the advice of the Executive Council pursuant to section 5.2.2 of the Constitution;
- (x) "Treasurer" means the Nunatsiavut Treasurer as described in subsection 5.1.1(c) of the Constitution;

Application of the 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 regulations, 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. (IL 2015-03; IL 2018-02)

PART 2 EXECUTIVE RESPONSIBILITIES

Management and Control of Financial Affairs

4

- (1) Except as otherwise specifically provided in the Constitution or this Act, the Treasurer is responsible, in accordance with this Act, for the oversight, management and control of all matters relating to the financial affairs of the Nunatsiavut Government including:
- (a) accounting policies and practices, including the form and content of financial reports, financial and business plans, and budgets;
 - (b) financial management and control, including management practices and systems;
 - (c) evaluation of programmes or services as to economy, efficiency and effectiveness;
 - (d) management of personnel; and
 - (e) matters relating to fiscal policy.
- (2) The Treasurer may establish a financial management board comprised of the Controller and no more than three (3) Ministers to advise and assist the Treasurer with respect to the financial affairs of the Nunatsiavut Government and the performance of the Treasurer's responsibilities.

Disposition of Nunatsiavut Government Property (IL 2018-02)

5

- (1) A disposition or loan of property of the Nunatsiavut Government or of the Inuit must not be made to any person without written authorization of the Treasurer.
- (2) The Treasurer is responsible to ensure that every disposition or loan of property of the Nunatsiavut Government or of the Inuit
- (a) is authorized in terms of section 26 of the *Nunatsiavut Government Organization (Transitional) Act*; and
 - (b) is properly accounted for in the accounts of the Nunatsiavut Government.

Acquisition of Nunatsiavut Government Property (IL 2018-02)

6

- (1) The Executive Council or a member of the Executive Council may acquire or hold property for or in the name of the Nunatsiavut Government.

- (2) Nothing in subsection (1) authorizes a payment or disbursement in respect of the acquisition or holding of property without an appropriation, except as provided in this Act.

Charges for Property or Services

7

If the Nunatsiavut Government disposes of or authorizes the use of property of the Nunatsiavut Government or of the Inuit, or provides a service to any person, the President-in-Council may establish the consideration, charge, rent or fee to be paid to the Nunatsiavut Government by the person for such disposition, use or service.

Authority to Contract

8

- (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. (IL 2018-02)
- (2) Nothing in subsection (1) authorizes a payment or disbursement in respect of a contract or agreement without an appropriation except as provided in this Act.

Bonding

9

The Treasurer may require that an officer of the Nunatsiavut Government or an Agency must provide security for:

- (a) the performance of the trust reposed in him or her;
- (b) the accounting for all money entrusted to the officer or placed under his or her control;
- (c) the fulfillment of a duty to, or of an obligation undertaken on behalf of, the Nunatsiavut Government; or

- (d) the fulfillment of the officer's duties and obligations in carrying out any office or employment of trust in which he or she is concerned and that pertains to the collection, receipt, disbursement or expenditure of money of the Nunatsiavut Government whether under this Act or any other Inuit Law. (IL 2018-02)

How Security Given

10

The security required pursuant to section 9, must be in favour of the Nunatsiavut Government or the Agency in the amount approved by the Treasurer, must be deposited with the Treasurer at the time required by the Treasurer, and must be by:

- (a) the deposit of money or property;
- (b) the giving and entering into of a bond, with sureties or otherwise, or
- (c) the giving or entering into of a policy of insurance with an insurer. (IL 2018-02)

Notice of change

11

A person who has provided a bond issued by a surety under section 10, must give notice to the Treasurer of the death, bankruptcy, insolvency or change of residence of that surety within one month after the relevant information comes to the knowledge of the person. (IL 2018-02)

PART 3 CONTROLLER OF NUNATSIAVUT

Controller

12

The office of Controller of Nunatsiavut is established and the President-in-Council must, in terms of section 8.2.5 of the Constitution, appoint an individual to the office as soon as practicable.

Functions of Controller

13

The Controller is the deputy Treasurer and is responsible to the Treasurer for:

- (a) the administration and maintenance of the accounts of the Nunatsiavut Government;
- (b) the provision of functional control over all financial transactions of the Nunatsiavut Government;
- (c) the evaluation of financial management throughout the Nunatsiavut Government and making recommendations for improvements based on such evaluations;
- (d) the preparation of the financial statements of the Nunatsiavut Government and any other financial statements and reports required by the Assembly, the Executive Council or the Treasurer; and

- (e) the performance of all other duties assigned to the Controller by the Assembly under this Act or other Inuit Law, the Executive Council or the Treasurer.

Access and Information

- 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. (IL 2018-02)

Offense

15

It is an offense for a person to hinder or obstruct the Controller in exercising the Controller's authorities under this Act.

PART 4 BUDGETING

Preparation of Provisional Budgets

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. (IL 2018-02)

Preparation of initial draft Consolidated Financial Plan by Controller

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. (IL 2018-02)

Proposed Departmental budgets

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. (IL 2018-02)

Proposed draft Consolidated Financial Plan prepared by Treasurer

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. (IL 2018-02)

Consultation by Treasurer

20

The Treasurer must consult the Communities Joint Management Committee, and may consult any other person, before finalizing the proposed draft Consolidated Financial Plan for the Nunatsiavut Government for the next fiscal year.

Draft Consolidated Financial Plan to be submitted to Assembly

21

On or before March 1 of each fiscal year a draft Consolidated Financial Plan for the Nunatsiavut Government for the next fiscal year, approved by the Executive Council, must be presented by the Treasurer to the Assembly for its consideration.

Contents of draft Consolidated Financial Plan

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 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;
- (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.
(IL 2018-02)

Consultation by Executive Council

23

The Executive Council may consult any person in preparing the draft Consolidated Financial Plan for the Nunatsiavut Government for the next fiscal year.

Assembly to adopt Consolidated Financial Plan

24

On or before March 31 of each fiscal year the Assembly must adopt a Consolidated Financial Plan for the Nunatsiavut Government for the next fiscal year and make the appropriations that are required for purposes of that plan.

Treasurer to distribute Consolidated Financial Plan

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. (IL 2018-02)

Assembly may amend Consolidated Financial Plan

26

A Consolidated Financial Plan or a Budget and the corresponding appropriations may be amended by the Assembly during the fiscal year to which it pertains.

Notice of amendment to Consolidated Financial Plan

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 or the effect of the amendment on the amounts and dates of monies to be paid or made available to that Department, Agency and Inuit Community Government. (IL 2018-02)

Inspection of Financial Plan

28

A copy of the Consolidated Financial Plan must be made available during normal business hours at the administrative offices of the Nunatsiavut Government for inspection by an Inuk upon request to the Controller.

PART 5 Financial Records, Accounts and Statements

Ownership of Financial Records

29

All books, records and accounts pertaining to the financial affairs of the Nunatsiavut Government that are produced, kept, used by, received or taken into the possession of a person who is or has been employed in the collection, management, custody or disbursement of property of the Nunatsiavut Government, or in accounting for it, belong to the Nunatsiavut Government.

Financial statements

30

- (1) Monthly and quarterly financial statements required under this Act must be prepared by or under the direction of the Controller in the form, and contain the information, required by the Treasurer.
- (2) Annual financial statements required under this Act must be prepared:
 - (a) in accordance with generally accepted accounting principles; and
 - (b) in a form directed by the Treasurer. (IL 2015-03)

Monthly financial statements

31

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. (IL 2018-02)

Quarterly updates

32

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. (IL 2018-02)

Annual Financial Statements

33

- (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; (IL 2018-02)
 - (b) be prepared in accordance with generally accepted accounting principles and as directed by the Treasurer;
 - (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; (IL 2018-02)
 - (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; (IL 2018-02)
 - (e) contain a list of all loans and investments made out of the Nunatsiavut Fund disclosing the information required by section 8.6.7 of the Constitution; and
 - (f) contain a statement prepared by the Controller listing every instance in which:
 - (i) a debt or obligation has been forgiven;
 - (ii) the President-in-Council has made a transfer order under section 37; (IL 2018-02)
 - (iii) a payment has been made for a purpose not authorised by an appropriation;
 - (iv) a payment has been made without the proper requisition; or
 - (v) a payment has been made that in the Controller's opinion is in any way irregular or unlawful.
- (2) Financial statements prepared under subsection (1):
- (a) must be audited under part 11 of this Act; (IL 2018-02)
 - (b) as audited, must be signed by the Treasurer, and one other Minister;
 - (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 (IL 2018-02)
 - (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). (IL 2018-02)

Inspection of financial statements

34

- (1) The audited financial statements of the Nunatsiavut Government must be made available during normal business hours at the administrative offices of the Nunatsiavut Government for inspection by Inuit, upon request to the Controller.

- (2) In order to comply with section 8.10.2 of the Constitution, the Treasurer must, and upon receipt of a written request from an Inuk, supply to the Inuk a copy of a statement under section 32. (IL 2018-02)
- (3) The Treasurer may, as instructed by the President-in-Council, enact regulations establishing the fees to be paid for the supplies under subsections (1) and (2).

PART 6 Nunatsiavut Government Funds

Funds

35

- (1) The Treasurer must establish the following funds: (IL 2018-02)
 - (a) the Nunatsiavut Fund which shall be both the consolidated revenue fund of the Nunatsiavut Government and the banking fund through which all the 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

36

The transfer to, or recognition of ownership by, the Nunatsiavut Government and Inuit of Labrador Inuit lands on the Effective Date under the Labrador Inuit Land Claims Agreement must be separately recorded at an aggregate carrying value of one dollar. (IL 2018-02)

Transfer between funds

37

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 35 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. (IL 2018-02)

Transfer of surplus in investment fund

38

To the extent reasonably practicable, the Executive Council must transfer any surplus in the investment fund at the end of the fiscal year to the extent required to eliminate any deficit in any other fund at the end of the fiscal year.

Limits on use of trust and reserve funds

39

Except as otherwise specifically provided in this Act, money held by the Nunatsiavut Government that is subject to a trust or reserve must not be used for a purpose other than permitted under the terms of the trust or the reserve. (IL 2018-02)

Fund Service Charge

40

The Controller, with the consent of the Treasurer, may charge any fund, including a trust fund, in respect of which management or financial services are provided by the Department of Finance and Human Resources, management fees based on the reasonable costs of providing those services.

PART 7 Nunatsiavut Government Revenue

Deposits to and Disbursements from Banking Fund

41

Except as otherwise specifically provided in this Act or in another Inuit law:

- (a) all monies received by the Nunatsiavut Government must be deposited to the banking fund; and
- (b) all disbursements of the Nunatsiavut Government must be paid from the banking fund.

Trust Funds

42

Trust funds must be paid into and maintained in accounts kept separate from the banking fund.

Bank Accounts

43

A person must not open an account for the receipt and deposits of money of the Nunatsiavut Government, except in the name of the Nunatsiavut Government and as authorised in writing by the Controller who shall provide a copy of every such authorization to the Treasurer.

Refunds

44

Money received by the Nunatsiavut Government that is paid or collected in error or for a purpose that is not fulfilled may be refunded in part or in whole as circumstances require.

Write-off of Debts

45

- (1) The President-in-Council may, approve the write-off of a debt or obligation to the Nunatsiavut Government and may establish the circumstances and manner in which the Controller may approve the write-off of all or part of a debt or obligation to the Nunatsiavut Government.
- (2) The write-off of all or part of a debt or obligation under subsection (1) does not extinguish the right of the Nunatsiavut Government to collect the amount or liability written off.

Extinguishment of debts

46

- (1) All or part of a debt or obligation to the Nunatsiavut Government may be forgiven only by Executive Order or in accordance with a written order made under subsection (2) and to the extent that the debt or obligation is forgiven, the liability for it is extinguished.
- (2) The President-in-Council may,
 - (a) authorize the Controller to forgive a debt or obligation to the Nunatsiavut Government;
 - (b) specify circumstances in which approval must be obtained and on what authority before the debt or obligation is forgiven; or
 - (c) require that, in specified circumstances, the maximum amount of the debt or obligation that may be forgiven without the approval of the President-in-Council, not exceed a specified amount.

PART 8 Nunatsiavut Government Expenditure

No Payment without Appropriation

47

Except as is otherwise specifically provided in this Act or in another Inuit Law, money must not be paid out of the banking fund or any other fund of the Nunatsiavut Government, unless authorized by an Appropriation .

Trust Funds and Money Received for Other Persons or Purposes

48

- (1) Money must not be paid from trust funds except in accordance with this Act, the regulations, another Inuit Law or the terms of the instrument or authority by which the money is held in trust.
- (2) Subject to any applicable Inuit Law and to Executive Orders, money received for another person may be paid out to that person.

Security Deposits

49

Money received by the Nunatsiavut Government as a deposit to ensure the doing of an act or thing must be held or disposed of in accordance with an Executive Order.

Appropriations

50

- (1) A sum that is appropriated must not be spent for any purpose other than the purpose described in respect of the Appropriation in the Consolidated Financial Plan, or the Budget, in which the Appropriation is made.
- (2) The total amount spent by the Nunatsiavut Government in relation to an Appropriation must not exceed the amount contained in the budget for the Appropriation.
- (3) Subject to subsection (5), if an Appropriation includes an item as a credit or a recovery, the Appropriation is deemed to authorize expenditures equal to the aggregate of the net amount appropriated and the estimated credits or recoveries set out in the details related to the Appropriation.
- (4) Money that is appropriated may be spent for any activity or any standard object of expenditure that is within the general purposes of the Appropriation.
- (5) The President-in-Council may limit the circumstances in which, or specified conditions under which, subsection (3) applies.

Payments Based on Contributions

51

If, under an agreement or undertaking:

- (a) money is payable to the Nunatsiavut Government or
- (b) money has been received by the Nunatsiavut Government

for the purpose of, or as a contribution towards, an expenditure to be made by the Nunatsiavut Government, the President-in-Council may authorize payments for that purpose of an amount not exceeding the amount payable to or received by the Nunatsiavut Government pursuant to the agreement or undertaking.

Payments after a Fiscal Year End

52

- (1) Money appropriated for the fiscal year must not be paid out after the end of the fiscal year, except to discharge a liability incurred in the fiscal year.
- (2) If the liabilities for an Appropriation under subsection (1) exceed the unexpended balance of the Appropriation at the end of the fiscal year and the liabilities have not been provided for by means of a transfer from the contingency or another fund, the excess must be charged against a suitable appropriation for the following fiscal year, and must be reported in the financial statements for the fiscal year in which the liability was incurred.

Regulation of expenditure

53

- (1) Subject to subsection (2), the President-in-Council may by Executive Order:
 - (a) control or limit expenditure under any Appropriation;
 - (b) subject to any limitations stated in the Appropriation, set conditions for any kind of expenditure under an Appropriation; and
 - (c) establish amounts or allowances to be paid out of an Appropriation for or in respect of out-of-pocket, traveling and other expenses incurred by persons in the discharge of their duties.
- (2) The President-in-Council shall not limit expenditure under an Appropriation if the expenditure is required to honour an existing obligation of the Nunatsiavut Government to another person under law.

Expenditure under Agreements

54

- (1) The President-in-Council must not enter into an agreement or undertaking of any kind providing for the payment of money if the payment would result in an expenditure that contravenes the Constitution, this or any other Act or the regulations.
- (2) The President-in-Council may set conditions to be observed before the Nunatsiavut Government may enter into agreements or undertakings providing for the payment of money.

Holdbacks

55

If the Nunatsiavut Government withholds an amount payable by the Nunatsiavut Government under an agreement, this Act, the regulations or other Inuit Law, the payment of the amount withheld must, subject to this Act and the regulations, be charged to the Appropriation for the agreement or Nunatsiavut Government enactment under which it is withheld, even though the fiscal year for which it was appropriated has ended.

Record of commitments

56

A person who has charge of an Appropriation must establish and maintain, as directed by the Treasurer, records of commitments chargeable to the Appropriation of which they have charge.

Requisitions for payments

57

- (1) Money must not be paid without a requisition for payment under this section.
- (2) A requisition must not be given for a payment that is not authorized under an Appropriation or that would:
 - (a) not be a lawful charge against an Appropriation or trust fund;
 - (b) result in total expenditures in contravention of subsection 50(2) or in expenditures from a trust fund in excess of the unexpended balance of the trust fund; or
 - (c) reduce the balance available in an Appropriation or trust fund so that it would not be sufficient to meet the commitments chargeable against it. (IL 2018-02)
- (3) A requisition:
 - (a) may apply to one or more expenditures chargeable against one or more Appropriations;
 - (b) if applicable, must identify the Appropriations or trust funds out of which payment is to be made;
 - (c) must include a certificate that the expenditure is not prohibited under subsection (2), and either
 - (i) is in accordance with an Appropriation identified in the certificate, or
 - (ii) is allowed without the authority of any Appropriation under this Act;
 - (d) if the payment is for the performance of work, the supply of goods, the rendering of services, or for any other purpose, whether or not under an agreement, must include a certificate that:
 - (i) the work has been performed, the goods supplied, the service rendered or conditions met, and that the price charged or amount to be paid is in accordance with an agreement or, if not specified by agreement, is reasonable, or
 - (ii) the payment is in accordance with the agreement if the payment is to be made before the completion of the work, the delivery of the goods, the rendering of the service or the meeting of other conditions;

- (e) must be signed by the Controller and a person permitted under subsection (4); and
 - (f) must otherwise be in a form, accompanied by documents, and be certified in a way that the Treasurer, by written directive, requires.
- (4) The only persons who may authorize a payment out of an Appropriation or a trust fund, or sign a requisition for payment are:
- (a) subject to subsection (5), a Deputy Minister,
 - (b) the Controller,
 - (c) the Treasurer,
 - (d) a person authorized by Executive Order, and
 - (e) a person authorized by a Deputy minister or the Controller in accordance with an Executive Order.
- (5) The authority of a Deputy Minister under subsection (4) extends only to requisitions relating to payments from an Appropriation for a Budget or a fund for which the Deputy Minister is responsible.
- (6) The President-in-Council may limit the authority of a person under subsection (4) to specified amounts and circumstances.

Rejection and Confirmation of Requisitions

58

- (1) The Controller or other person who may authorize a payment out of an Appropriation or a trust fund must reject a requisition for payment if he or she considers that this Act, the regulations or any other Inuit Law has not been complied with.
- (2) If the Controller or other person who may authorize a payment out of an Appropriation or a trust fund requires direction with respect to a requisition, he or she may transmit the requisition to the Executive Council together with a request for directions and the President-in-Council may refuse the requisition or approve the requisition with or without conditions.
- (3) If the Controller or other person who may authorize a payment out of an Appropriation or a trust fund rejects a requisition or otherwise declines to authorize or make a payment, or disallows an item in an account, he or she must, at the request of a person referred to in subsection 57(4) provide reasons in writing to the Executive Council. (IL 2018-02)
- (4) On request of a person referred to in subsection 57(4), the President-in-Council may review the decision and, by Executive Order, either confirm it or order that the payment be made subject to conditions. (IL 2018-02)

Advances

59

Subject to an Executive Order, an advance may be made to prepay expenses other than salary expenses that will be charged against an Appropriation in the current or a future year.

Set-off of amounts owed or payable

60

The President-in-Council may authorize the Controller to retain money by way of set-off out of any money due or payable by the Nunatsiavut Government to any person if that person owes money to the Nunatsiavut Government or the Nunatsiavut Government has made an overpayment to that person.

Form of Payment and Signing Authority

61

Payments by the Nunatsiavut Government must be made by cheque, draft, telegraphic or electronic transfer or other similar instrument signed by:

- (a) the Treasurer and the Controller;
- (b) the Treasurer and any one of the persons referred to in subsection 57(4) within the limit of their authority; or
- (c) the Controller and any one of the persons referred to in subsection 57(4) within the limit of their authority. (IL 2018-02)

PART 9 Nunatsiavut Government Assets

Authority to Invest

62

Money must not be invested by the Nunatsiavut Government without the authority of this Act or another Inuit Law.

Authority of the Controller to Invest in Permitted Investments

63

- (1) Money of the Nunatsiavut Government that is not immediately required for payments, other than money in the investment fund, may be invested in the name of the Nunatsiavut Government by the Controller in one or more of the following:
 - (a) securities that are obligations of or guaranteed by Canada, a Province or the government of a foreign country provided that the aggregate of all investments in securities of foreign governments must not exceed 35% of all investments in securities;

- (b) fixed deposits, notes, certificates and other short term paper of, or guaranteed by, a bank;
 - (c) commercial paper issued by a company, the securities of which are rated in the highest rating category by at least two recognized security rating institutions;
 - (d) securities issued with or without interest by the Inuit Settlement Trust; or
 - (e) any other prescribed investments.
- (2) Money that is held in a trust that is not immediately required for payments may be invested, subject to the terms of the trust, by the person having the authority to invest that money in an investment permitted under the subsection (1) or as otherwise permitted under the terms of the trust.
- (3) Money in the investment fund must be invested by the Controller in accordance with an Executive Order and may be invested by President-in-Council in loans or advances to:
- (a) another fund of the Nunatsiavut Government,
 - (b) investments in or loans to a Nunatsiavut Government corporation, or
 - (c) unless otherwise prohibited, in loans to a trust or limited partnership in which the Nunatsiavut Government holds an interest as beneficiary or member.

Additional Authority of Controller to Invest

64

If this Act or any other Inuit Law confers on the Nunatsiavut Government the authority to invest money, the President-in-Council may, authorize the Controller to invest the money in the name of the Nunatsiavut Government.

Valuation of Investments

65

All investments of the Nunatsiavut Government must be accounted for at fair market value. (IL 2015-03)

Administration of Investments

66

- (1) The President-in-Council may make regulations considered necessary or advisable to facilitate or regulate the investing and lending of money under this Act.
- (2) If the Controller is authorized to make an investment or a loan under this Act or the regulations, he or she may do all things necessary or advisable for the purpose of making, continuing, exchanging or disposing of the investment or loan including, but not limited to:
 - (a) buying and selling currency on a current or future delivery basis;

- (b) authorizing:
 - (i) a person to exercise their powers to make, continue, exchange or dispose of the investment or a loan;
 - (ii) a person to administer the investment or loan; and
 - (iii) a person, or that person's nominee, to hold the investment or loan in trust for the Nunatsiavut Government or, in the case of the trust, for the trustees,
 subject to any restrictions, limits or conditions that the Controller may impose; and
- (c) entering into an agreement in the name of the Nunatsiavut Government with a person under which the person provides one or more of the services referred to in subsection (b).
- (3) A person who has the authority to invest or loan the money of a trust fund must invest or loan the money in the best interests of the trust fund.

Authorized financial agreements

67

- (1) Subject to any restrictions, limits or conditions that may be prescribed by Executive Order, the Treasurer may enter into the following agreements in the name of the Nunatsiavut Government:
 - (a) banking agreements, including banking agreements with savings institutions, and related services agreements;
 - (b) for the purposes of reducing risks or maximizing benefits in relation to the borrowing, lending or investing of money of the Nunatsiavut Government:
 - (i) currency exchange agreements;
 - (ii) spot and future currency agreements;
 - (iii) interest rate exchange agreements;
 - (iv) future interest rate agreements; and
 - (c) agreements within any prescribed class of financial agreement.
- (2) The Controller may pay amounts required to be paid by the Nunatsiavut Government under an agreement referred to in subsection (1).
- (3) The President-in-Council may make regulations:
 - (a) establishing restrictions, limits and conditions on the Treasurer's authority to enter into agreements under subsection (1);
 - (b) prescribing classes of agreements, other than borrowings, loans or investments, for the purposes of subsection (1).

PART 10 Nunatsiavut Government Liabilities

Borrowing restricted

68

Except as otherwise specifically provided in this Act or in some other Inuit Law:

- (a) money must not be borrowed and a security must not be issued;
- (b) a guarantee must not be given; and
- (c) an indemnity must not be given

by or on behalf of the Nunatsiavut Government.

Authority for Current Account Borrowing

69

- (1) For the purposes of section 8.5.2 of the Constitution, the President-in-Council may borrow sums of money for current account purposes in accordance with subsection (2).
- (2) If this Act or any other Inuit Law gives the Nunatsiavut Government the authority to borrow money or issue a guarantee or indemnity;
 - (a) that authority shall be exercised by the Treasurer according to this Act or other Inuit Law or by Executive Order;
 - (b) that authority may only be exercised if the Controller certifies to Executive Council, in writing, that the amount borrowed, guaranteed or indemnified is within the limits prescribed by section 8.5.2 of the Constitution; and
 - (c) the amount borrowed, guaranteed or indemnified must be repaid before the end of the fiscal year in which the amount is borrowed, guaranteed or indemnified.
- (3) For greater clarity, nothing in this section applies to or is intended to affect any long term borrowing in terms of section 8.5.3 of the Constitution.

Borrowing in the Ordinary Course of operations

70

Subject to sections 68 and 69, when the Assembly is not sitting the President-in-Council may by Executive Order authorize the Treasurer, in the name of the Nunatsiavut Government, to:

- (a) incur trade accounts or other current liabilities, payable in accordance with normal terms of trade, for expenditures provided for in the Consolidated Financial Plan or a Budget of the Nunatsiavut Government for a fiscal year, if the debt will be repaid from funds appropriated under an

Appropriation for that year or if the debt is in respect of an expenditure that may be made without an Appropriation under this Act;

- (b) make arrangements with banking institutions for overdrafts and for the purpose of securing any overdraft under such arrangement, may issue securities to the banking institution in a form, in an amount and on terms and conditions that it approves;
- (c) enter into conditional sales agreements or leases for the acquisition of assets, land, premises, materials or equipment required for the operation, maintenance or administration of the Nunatsiavut Government;
- (d) borrow for the efficient management of debts owed by the Inuit or the Nunatsiavut Government on the Effective Date. (IL 2018-02)

Borrowing for investments

71

The President-in-Council may borrow in the name of the Nunatsiavut Government from the Inuit settlement trust to finance an investment referred to in part 9. (IL 2018-02)

Borrowing for authorized disbursements

72

- (1) If the Controller considers that the banking fund is likely to be insufficient to meet the disbursements lawfully authorized to be made from it and recommends to the Executive Council that money be borrowed to ensure that the banking fund will be sufficient for those purposes, the Assembly may enact enabling legislation or, if the Assembly is not then sitting, the President-in-Council by Executive Order, may authorize the Controller to borrow an amount not exceeding a specified maximum amount.
- (2) If money is borrowed as permitted under subsection (2), the loan must be repaid within 120 days after the date on which the loan agreement is made or at a later time if the enabling legislation permits an extension to the time for repayment.
- (3) Despite subsection (2) any money borrowed as permitted under subsection (1) must be repaid as soon as possible if the money is no longer required for the purpose for which it was borrowed.

Borrowing for Repayment of Debts

73

Subject to this Act, the regulations and any other Inuit Law that gives authority to borrow, the President-in-Council may authorize the Treasurer to borrow money in the name of the Nunatsiavut Government that is required for the repayment or refinancing of any debt of the Nunatsiavut Government other than a debt in relation to money borrowed under section 71. (IL 2018-02)

Use of Borrowed Money

74

- (1) Subject to this section, money borrowed by the Nunatsiavut Government for a specific purpose must not be used for any other purpose.
- (2) All or part of money borrowed for a specific purpose by the Nunatsiavut Government and not required to be applied immediately for that purpose may be temporarily invested under part 9 until required for that purpose. (IL 2018-02)
- (3) If some of the money borrowed for a specific purpose remains unused after completion of the supply and payment of the costs of the supply, the unused money must be applied to repay the debt from the borrowing.

Execution of securities

75

Securities issued by the Nunatsiavut Government must be signed by:

- (a) the Treasurer or another person designated by Executive Order and the Controller or
- (b) the Treasurer and the Controller or another person designated by the President-in-Council.

Guarantees and Indemnities

76

- (1) Except as otherwise specifically provided in this Act or another Inuit Law, an indemnity may be given in the name of the Nunatsiavut Government only if it is:
 - (a) necessarily incidental to and included in another agreement to which the Nunatsiavut Government is a party; or
 - (b) in relation to a security given by the Nunatsiavut Government that is permitted under this Act or another Inuit Law.
- (2) Except as otherwise specifically provided in this Act or another Inuit Law, a guarantee may be given in the name of the Nunatsiavut Government only as required to secure a debt under this part.
- (3) An indemnity or a guarantee permitted under subsection (1) or (2) may be given by or on behalf of the Nunatsiavut Government only by Executive Order.
- (4) A written order under subsection (3) may do one or more of the following:
 - (a) designated persons authorized to approve a guarantee or indemnity to be given on behalf of the Nunatsiavut Government;
 - (b) specify circumstances in which, before a guarantee or indemnity is given, approval must be obtained from the President-in-Council, the Treasurer, the Controller or another person;

- (c) prescribe the maximum amount of the liability in respect of which the President-in-Council, the Treasurer, the Controller or other person may approve a guarantee or indemnity; and
- (d) place constraints, conditions and limitations, which must be specified in the directive, on the giving of guarantees and indemnities and on the exercise of the power of approval referred to in paragraphs (b) and (c).

PART 11 Nunatsiavut Government Audit

Auditor Requirements

77

- (1) The Auditor for the Nunatsiavut Government must be a member in good standing of the Chartered Professional Accountants of Canada or the Chartered Accountants of Newfoundland and Labrador. (IL 2018-02)
- (2) The Auditor is appointed in accordance with section 8.11.2 of the Constitution to hold office for a 5 year term which shall end on the date during a sitting of the Assembly next following the day on which approval is given to the financial statements for the last fiscal year that he or she has audited.
- (3) If a new or replacement auditor is not appointed as auditor at the sitting referred to in that subsection (2), the incumbent Auditor continues in office from fiscal year to fiscal year until a successor is appointed.

Remuneration of Auditor for Nunatsiavut

78

The remuneration of the Auditor must be established Inuit Law or, if not so established, by Executive Order.

Auditor Ceases to Hold Office

79

- (1) The Auditor ceases to hold office as provided in section 77 or when the Auditor dies, resigns or is removed from office under section 8.11.4 of the Constitution. (IL 2018-02)
- (2) The Assembly may remove the Auditor from office pursuant to section 8.11.4 of the Constitution at any sitting of the Assembly of which 14 days advance notice is provided to the Auditor.
- (3) An Auditor who resigns or who receives notice of the sitting of the Assembly called for the purpose of removing him or her from office, may submit to the President a statement giving the reasons for their resignation or the reasons why they oppose their removal from office and on receipt of the statement, the President must, as soon as possible, send a copy of the statement to every Member of the Assembly.

- (4) A vacancy created by the death or resignation of an Auditor or by the removal of the Auditor may be filled by the President pursuant to a resolution of the Assembly nominating a replacement.
- (5) An Auditor appointed to fill a vacancy holds office for the unexpired term of the Auditor's predecessor.

Auditor to Appear Before the Assembly

80

If, not less than 10 days before a sitting of the Assembly, the President-in-Council gives written notice to the Auditor, or a former Auditor, to do so, the Auditor or former Auditor must attend the setting at the expense of the Nunatsiavut Government and answer questions related to his or her duties as Auditor.

Duties

81

The Auditor must:

- (a) audit the annual financial statements of the Nunatsiavut Government and express his or her opinion as to whether they present fairly information in accordance with generally accepted accounting principles; (IL 2015-03)
- (b) in conformity with section 8.11.7 of the Constitution, provide an audit report in respect of the annual financial statements of the Nunatsiavut Government to the Assembly by September 30 next following the end of the fiscal year; and (IL 2018-02)
- (c) report to the Treasurer on any deficiencies in internal controls that come to the Auditor's notice in the course of the audit of the Nunatsiavut Government and offer recommendations for improvement; and
- (d) carry out any other examinations and make any other report required of the Auditor under this Act or the regulations, by other Inuit Law, by Executive Order or by order of the Treasurer.

Special Report on Irregularities

82

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. (IL 2018-02)

Liability for irregularities

83

- (1) On receipt of a report under section 82 the President-in-Council must promptly:

- (a) carry out further reviews and investigations as are required to verify the misappropriation or irregularity, and the manner in which it occurred, including those persons responsible; and
 - (b) report to the Assembly on the reviews and investigations. (IL 2018-02)
- (2) On the basis of the reviews and investigations referred to in subsection (1), the Assembly may itself, or may authorize the President-in-Council:
 - (a) to take any action it considers appropriate to rectify the misappropriation or irregularity; and
 - (b) without limiting subsection (a), to institute a prosecution or carry out recovery proceedings, or both, depending on the circumstances.
- (3) Every person who permits, authorizes or acquiesces in any proposed expenditure that lacks legal authority commits an offense and is liable to the Nunatsiavut Government for double the amount of the expenditure so incurred.
- (4) Money recovered under this section, plus costs, must be paid to the Nunatsiavut Government, to be placed to the credit of the fund involved or, if no specific or identifiable fund is involved, to the Nunatsiavut Fund.

Auditor's Powers

84

- (1) At all reasonable times, the Auditor may:
 - (a) inspect, audit and examine 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 (IL 2018-02)
 - (b) examine property of the Nunatsiavut Government or Agency Department 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. (IL 2018-02)
- (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, and any officer or agent of an Agency. (IL 2018-02)
- (3) Every person referred to in subsection (2) must make available all books, records and documents referred to in subsection (1) and, as necessary for the performance of the Auditor's duties, give the auditor every reasonable facility and provide information and explanations about the affairs of the Nunatsiavut Government.