



## Core Policy and Procedures Manual - Amendment Summary June 2009

Policy	
<a href="#">3.0 Planning, Budgeting and Reporting</a>	<p><b>3.3 Significant Accounting Policies</b> – section e. accounting policy terminology has been updated for consistency and new links to the Public Accounts.</p> <p><b>3.4.3 Specific Accounting Policies</b> -- the use of prepaid capital advances and related accounting policy (formerly CPPM J) have been discontinued. In its place, appropriation authority for a grant to a government organization for its capital expenditures has been provided by amendment to the <i>Financial Administration Act</i>, section 56.1.</p>
<a href="#">4.0 Expense Management</a>	<p><b>4.3.14 Transfer Payments</b> - updated for trust policy, which is included in new <a href="#">Appendix 4</a>. Prior to establishing a trust, ministries must seek legal advice from Legal Services Branch, Ministry of Attorney General, and accounting advice from Financial Reporting and Advisory Services Branch, Office of the Comptroller General. The trust agreement and funding require prior approval by Treasury Board. The trust requires a business case to demonstrate advantages that cannot be achieved by the expenditure management framework of appropriations, votes and special accounts.</p>
<a href="#">18.0 Administration</a>	<p><b>18.3.7 Honoraria</b> – policy 1 repealed for alignment with BCPSA Human Resource <a href="#">07. Policy Statement - Pay, Benefits and Leave</a>. Government staff are not eligible to receive honoraria from government.</p>

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## Planning, Budgeting and Reporting

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## PART I: Planning

### 3.1 Objectives

- ensure that government and ministries plan for key services provided to the public
- provide for the economic, efficient and effective use of resources required to deliver services
- ensure that ministry planning processes are integrated with government's overall strategic and financial planning, budget preparation and reporting processes
- ensure that ministry planning processes and activities are conducted in accordance with applicable legislation, regulations and Treasury Board policy

### 3.2 General

Planning in government is concerned with the provision of public services to achieve a variety of social and economic goals. The Province's strategic plan outlines key goals for the economy, social infrastructure and the physical environment. Planning, budgeting and reporting are all elements of government's performance management and accountability process. The ministry performance management context is illustrated in [Performance Management Context](#) (PDF 35 KB).

Part 3 of the [Budget Transparency and Accountability Act](#) (BTAA) requires that government produce a strategic plan and that ministries produce three-year service plans. Government's human, financial and capital resources required for its strategic plan are set out in its budget or main Estimates. The budget is developed based on forecasts, key assumptions and risk assessments, which are integral to the planning process. Uncertainties and risks impacting the achievement of objectives require identification and assessment to determine how to manage them.

Ministry planning should be closely tied to budget preparation processes and reporting systems. Ministry service plans need to identify strategies for achieving their objectives. Management information systems need to track costs and measure outputs and outcomes to close the performance loop and support assessment of results compared to plan.

The planning policy below outlines the standard requirements for government and ministry service plans. Standards do not explain how to plan and allocate resources, or how to manage and mitigate risks. These are management processes unique to each organization, and best left to the respective ministers, senior executives and managers to direct. For guidance on service plans, refer to Information and References, [Guidelines for Ministry Service Plans and Reports](#). For guidance on risk management processes and techniques, refer to Risk Management, [Information and References](#).

### 3.3 Policy

1. The government must make public its overall strategic plan before or when the main Estimates are presented to the Legislative Assembly.
2. Ministries must prepare annual service plans that:
  - are consistent with the government's strategic plan;
  - describe the ministry's core business goals, objectives, strategies, performance measures and targets;
  - cover ministry appropriations (and other appropriations of the responsible minister) for the strategies outlined;
  - address the upcoming fiscal year and the following two fiscal years;
  - include a statement that the responsible minister is accountable for the service plan and for achieving the specific objectives in that plan; and
  - are made public by the responsible minister on the third Tuesday in February.
3. Ministries must establish performance measures for inclusion in their service plans, which may include a mix of output, outcome and efficiency measures. The measures must be results-oriented and must link with core business areas, service plan goals and resource allocation decisions. Performance measures should be reasonably stable to enable an assessment of changes over time. Where applicable, performance measures and targets should be consistent with any of those that have been included in ministry budget submissions.
4. Ministries must disclose in their service plans information concerning any commitment or anticipated commitment that exceeds \$50 million (cumulative) towards the capital cost of an individual project. Ministries should link capital requirements with operating budgets and service delivery.
5. Ministries must include a high level overview of their Information Resource Management Plan (IRMP) in their service plan, as required by the Chief Information Officer. A suitable level of content would include reference to significant expenditures or service enhancements, rather than operational items.
6. Ministries must include a high level overview of their Human Resource Management Plan (HRMP) in their service plan, as required by the Commissioner of PSERC. The HRMP should tie into the ministry's overall plan and the government's plan for renewal of the public service.
7. Ministries must include a high level overview of their Enterprise-wide Risk Management (ERM) plan in their service

plan. Refer to Risk Management, [Policy](#), for additional requirements.

8. Ministry service plans will be subject to review by the Government Caucus Committees.
9. Ministry service plan reports must be published in the following year by August 31.

## PART II: Budgeting

### 3.1 Objectives

- provide assurance to the public that funds are spent and used for the purposes authorized by the Legislature
- ensure that revenues are collected, resources are allocated and expenditures are disbursed in an efficient, effective and economic manner
- hold managers accountable for spending public money both in terms of outcomes achieved and value for money

### 3.2 General

According to law and parliamentary practice, funds may not be expended without legislative authority. In controlling public expenditures, the Legislative Assembly reviews and authorizes the annual budget (main Estimates) for the forthcoming fiscal year.

The [Financial Administration Act](#) (FAA), sections 4 and 4.1 provide Treasury Board with authority regarding the form and content of the budget. Development of the budget and fiscal plan is an integral part of financial management, as it determines the resources needed to fulfill the objectives of ministry programs and forms the basis for operational and financial control and accountability.

Funding targets are established by Treasury Board to assist ministries in developing budgets. Ministries identify budget packages for their programs and rank them in priority order as part of their initial review. Budget proposals are reviewed by various levels and finally by Treasury Board.

Once approved and implemented, budgetary control is required to ensure that resources are properly used, and that actual revenues and expenditures do not differ significantly from forecasts. Ministers, deputy ministers, senior managers and program managers across government must fulfill responsibilities assigned to them in managing budgets, consistent with legislative requirements, Treasury Board and the Minister of Finance. For example, the [Balanced Budget and Ministerial Accountability Act](#) holds ministers collectively and individually accountable for spending control. Ministers will incur salary penalties for failure to stay within budget.

Budgetary control is usually put into practice on a responsibility centre basis, as ministries can be large and complex and cannot be centrally managed without the delegation of authority. Reporting by responsibility centre supports delegated authority and management control throughout the ministry. Managers also need to account for their actions in relation to plans and to take corrective action to live within budget or alter operations to support the ministry in achieving overall goals.

### 3.3 Policy

1. Ministry senior management must coordinate preparation of their annual budget submission, including:
  - providing advice and guidance throughout the ministry; conducting appropriate review and analysis; communication and reporting to all levels of ministry management; liaison between the ministry and Treasury Board Staff; and
  - ensuring that Treasury Board requirements are met.
2. Ministries must make use of their service plan goals, objectives and performance expectations to develop their annual budgets.
3. Ministries must allocate their annual budget based on tabled estimates. Ministry annual budgets must support the achievement of annual service plans. Ministry monthly budgets must link to operational targets to support performance measurement.
4. Ministries must monitor expenditures in relation to budget on a monthly basis and prepare monthly reports that

compare actual expenditures to estimated expenditures, including an analysis of major variances.

5. Ministries must maintain control accounts for each of their appropriations so that expenditures in relation to budget limits can be determined at any time.
6. Ministries must ensure that appropriate management systems are in place to measure the efficiency and effectiveness of programs, and to maintain budgetary control so that expenditure ceilings set by the Legislative Assembly and Treasury Board are not exceeded.
7. Responsibility centre managers who are assigned a budget must control how the funds are used by:
  - maintaining budgeted costs by service line and stob, and by period in relation to planned output; reporting actual costs and outputs by period (monthly) consistent with the way in which the budget was produced; and
  - analyzing variances (monthly) between budgeted and actual costs in relation to outputs with a view to corrective action.
8. Responsibility centre managers must report any significant financial differences from planned expenditures to the ministry chief financial officer and, as necessary, adopt an alternative course of action to remain within budget.
9. Ministries must prepare monthly expenditure projections for each vote over the twelve-month period in a fiscal year based on the tabled estimates. The financial information in the projections must correspond to the information provided in expenditure review reports. Based on these reports and expenditure projections, the Minister of Finance may establish budgetary controls as required from time to time.
10. The Ministry of Finance, through the Office of the Comptroller General, must not issue a cheque, or electronic funds transfer, for a ministry payment when the limit specified by the Legislative Assembly or Lieutenant Governor would be exceeded.
11. Ministries must have appropriate processes in place to ensure that any budget variances are quickly identified and investigated. This not only includes methods for variances related to revenues and expenses, but possible impacts from asset write downs and other valuation adjustments.

#### [Procedure Requirements - A.1](#)

### PART III: Reporting

#### 3.1 Objectives

- maintain accurate, complete and consistent accounting records to support performance measurement;
- provide meaningful information to managers for planning, decision-making and reporting purposes;
- allow for the monitoring and control of commitments and disbursements in relation to appropriated amounts;
- serve as the foundation for demonstrating accountability for the resources entrusted to managers and their programs;
- ensure early identification of budget variances so that ministries can mitigate as appropriate to remain within budget;
- improve legislative, governmental and management control by maintaining transactions, accounts and financial statements in accordance with government accounting policies.

#### 3.2 General

The [Budget Transparency and Accountability Act](#) (BTAA) provides the legislative framework for a regular cycle of planning, reporting and accountability. Under the BTAA ministries are responsible for producing three-year service plans, which need to be updated yearly, and annual service plan reports. Reports show results and stewardship of the use of public funds. The service plan report compares actual results to what was indicated in the ministry's service plan. Within the context of ministry goals and objectives, reports should emphasize the performance measures that the ministry will be using to measure progress. The primary audiences for service plan reports include the Legislative Assembly and the public. The principal external reports of government are:

- the Budget or main Estimates presented each fiscal year to the Legislative Assembly by the Minister of Finance;
- the Quarterly reports and the annual Public Accounts including the Summary Financial Statements;
- service plans, including:

- government's strategic plan setting out its priorities, specific objectives and expected results;
- ministry and agency service plans that identify goals, objectives, performance measures and major capital plans; and
- the annual reports of government and ministries, including:
  - a summary comparison of results with the government's strategic plan; and
  - comparisons of actual results of ministries and agencies with expected results identified in their service plans.

Ministers, through their respective ministries, are responsible for their annual service plan reports, and have flexibility in adapting the contents to best reflect ministry activities and achievements. However, it is intended that reports have a similar look and common elements to assist the public and legislators in using them. For guidance, refer to Information and References, [Guidelines for Ministry Service Plans and Reports](#).

[The Balanced Budget and Ministerial Accountability Act \(BBMAA\)](#) requires a comparison of expected and actual performance results, a ministerial accountability report, to be released with the Public Accounts. A holdback of 20% of ministerial salaries is payable after release of the Public Accounts where financial and non-financial requirements are met. Half of the holdback relates to collective responsibilities (i.e., the total Summary Accounts surplus or deficit target being met in which all cabinet ministers participate) and half relates to individual ministerial responsibilities for meeting expense targets or other non-financial targets.

### 3.3 Policy

#### a. **Service Plan Reports**

1. The minister is accountable for his or her ministry's annual service plan report, and must approve the report prior to publication.
2. A ministry's annual service plan report must include:
  - description of the ministry's core business;
  - key programs and services provided to the public;
  - output, quality and client statistics to provide report users with an understanding of services provided;
  - ministry progress in achieving its goals and objectives in conjunction with the performance measures and targets, as set out in its service plan; and
  - a ministerial accountability statement.
3. Ministries must report on the financial resources used during the year, compare actual expenditures to the amounts estimated and explain significant variances. Where practicable, annual service plan reports should provide a balanced explanation of successes, failures and corrective actions taken, and disclose:
  - operating expenses by core business area;
  - other resources, including FTEs, ministry (Consolidated Revenue Fund) capital expenditures, Consolidated Capital Plan capital expenditures and other financing transactions where applicable. Totals should correspond to the totals appearing in the main Estimates and the Public Accounts;
  - links between operating expenses, capital expenditures and financing transactions, and the delivery of services;
  - revenues and significant fees and licenses linked to the programs funded, particularly if major changes occurred or segments of the public were impacted;
  - major valuation adjustments, e.g., an asset write-off.
4. The ministry annual service plan report must disclose information concerning any commitment on a major capital project (exceeding \$50 million (cumulative) capital costs). Ministries should describe the progress of each project and include project expenditure plan information. Ministries are also expected to include the following information in their annual reports:
  - the objectives of the project;
  - the costs and benefits of the project;

- the ongoing risks associated with those costs and benefits; and
  - the use of any public private partnership arrangement in delivering the project.
5. Each year, Treasury Board Staff will advise ministries of the required publication date for their annual service plan reports. It is government's intention to release annual service plan reports and the Public Accounts for a particular year together, and no later than August 31<sup>st</sup> which is the statutory requirement.
  6. The Government's annual report on the strategic plan, which compares actual government-wide results with expected results, must be made public not later than August 31<sup>st</sup> in each year.

**b. Ministerial Accountability Reports**

1. Each minister is accountable and must certify his or her report to comply with BBMAA, part 4.
2. A ministerial accountability report must include the use of resources or the resource summary included in the ministry annual service plan report.

**c. Financial Reports**

1. Ministries must develop an account structure with the objective of producing useful financial reports in accordance with the chart of accounts policy in this section.
2. Ministry financial reports must:
  - support checks of transactions to ensure they have been processed accurately and completely;
  - enable effective budgetary control (by identification of allocations, disbursements, undischarged commitments and free balances);
  - be made available to managers and staff, as required, to effectively manage their programs;
  - include timely and accurate accruals.
3. The Corporate Accounting System (CAS) office must provide financial data on a timely basis and a reporting tool to allow ministries the ability to extract management reports on a timely basis. Specifically, the data to create detailed transactions reports, month-end status reports and financial management reports must be made available within six working days of the month-end.
4. Ministries must check the accuracy of financial management reports produced by CAS to ensure that:
  - only authorized transactions have been processed;
  - transactions have been accurately coded; and
  - transactions have been recorded and reported on a consistent basis.
5. Ministries are responsible for conducting their own expenditure reviews on at least a monthly basis, which compare costs by budget unit to target amounts of each program for the period under review.
6. Ministries must review their assets and liabilities for valuation adjustments, in addition to reviews of revenues and expenses.
7. The Minister of Finance must publish the Public Accounts for the previous fiscal year by August 31<sup>st</sup>.

For a summary of reports required by the BTAA and the FAA, refer to Information and References, sections [3.4.4](#) and [3.4.5](#).

[Procedure Requirements - H.1](#)

**d. Chart of Accounts**

1. For reporting purposes, financial transactions need to be identified and accounted for in a responsible and consistent manner. The chart of accounts is a standard classification and reporting system and, along with budgetary processes, provides information to support program management. The chart of accounts should support hierarchical and other reporting from the same data. For example, in developing a chart of accounts, a ministry should consider how to integrate it with budget and service plan needs. Also, the ministry's chart of accounts should support reporting against its service plan. For detailed chart of accounts information, refer to Information and References, [section 3.4.2](#).

2. Ministries must use the chart of accounts that has been designated the Corporate Chart of Accounts.
3. Ministries and OCG must be able to roll up Service Lines to the Vote and sub-vote format in the main Estimates.
4. Within each approved appropriation, ministry classification must be as follows:
  - by Client to identify the legal entity;
  - by Responsibility Centre to identify assigned responsibilities and to support accountability. Ministries must determine their own responsibility centres (and project account classifications) within the parameters set up by OCG, Financial Reporting and Advisory Services;
  - by Service Line to identify functional activities at the lowest business unit level. Ministries must use mandatory and common service lines for functions or activities that exist across government to ensure corporate reporting requirements are met; and
  - by Standard Object to identify goods and services acquired, non-cash transactions, revenue and balance sheets items.
5. Ministry additions or deletions to a Client, Service Line or Standard Object classification must be approved by OCG, Financial Reporting and Advisory Services.

e. **Significant Accounting Policies**

In general, accounting policies are a blend of the principles followed and the procedures necessary for applying those principles. For example, accounting policies may establish the basis for determining how or when expenses and revenues are reported, or whether assets are recorded as capital items, or whether separate entities are combined and reported together.

A consistent set of accounting principles is required to classify, measure and interpret government financial information for complete, accurate and consistent reporting. In high level external financial statements, as the Public Accounts, it is important that the accounting policies followed within ministries, central agencies, and externally through to the Legislative Assembly and hence to the public, are consistently and accurately applied.

Under the [Budget Transparency and Accountability Act](#), section 9(2)(e), the Public Accounts must include a summary of the accounting policies of the government reporting entity as established by Treasury Board and disclosure of any material variances of those policies from generally accepted accounting principles for senior governments in Canada. The more significant accounting policies are as follows:

1. Basis of Accounting

The government's Summary Financial Statements are prepared in accordance with generally accepted accounting principles (GAAP) for senior governments as required by the Budget Transparency and Accountability Act and as recommended by the independent Public Sector Accounting Board of The Canadian Institute of Chartered Accountants.

2. Reporting Entity

These financial statements include the accounts of organizations that meet the criteria of control (by the province) as established under GAAP. The reporting entity also includes government partnerships.

Trusts administered by government or government organizations are excluded from the reporting entity.

3. Principles of Consolidation

Taxpayer-supported Crown corporations, agencies, and the school districts, universities, colleges, institutes, health organizations (SUCH) and the Consolidated Revenue Fund (CRF) are consolidated using the full consolidation method. The government's interests in government partnerships are recorded on a proportional consolidation basis.

Self-supported Crown corporations, agencies, entities and government business partnerships are

consolidated using the modified equity basis of consolidation.

Adjustments are made for Crown corporations, agencies and entities whose fiscal year ends are different from the government's fiscal year end of March 31. These Crown corporations, agencies and entities consist of the British Columbia Assessment Authority, the Insurance Corporation of British Columbia, the British Columbia Railway Company, and all school districts.

Statistics Canada's Financial Management System for Government Statistics provides the guidance for establishing segment disclosure and function reporting. The statements by sector include the operations of the consolidated revenue fund, taxpayer-supported Crown corporations and agencies, and SUCH sector organizations. Each taxpayer-supported Crown corporation, agency and SUCH sector organization is assigned to a sector based on its major activity. Sectors are identified using functions.

For specific accounting policies, refer to Information and References, [Specific Accounting Policies](#).

## 3.4 Information and References

### 3.4.1 Guidelines for Ministry Service Plans and Reports

*Service Plans, Reports and Templates:* For additional information, refer to the Deputy Ministers' Policy Secretariat Ministry Service Plan Guidelines: [http://gww.fin.gov.bc.ca/OCG/i\\_and\\_r/Other\\_landR\\_Files/09-10\\_Service\\_Plan\\_Guidelines.pdf](http://gww.fin.gov.bc.ca/OCG/i_and_r/Other_landR_Files/09-10_Service_Plan_Guidelines.pdf) (available to Government of British Columbia intranet users only). For an overview of service planning and the annual service plan reporting processes, refer to: [http://gww.lcs.gov.bc.ca/cs/about/planning\\_performance/service\\_planning.html](http://gww.lcs.gov.bc.ca/cs/about/planning_performance/service_planning.html).

### 3.4.2 Chart of Accounts

For the government chart of accounts, classification is as follows:

*Vote* – identifies a group of programs usually associated with one ministry. A budget is associated with a vote and can be broken down to sub votes. The Legislative Assembly votes on the amount appropriated for the vote and once passed the ministry may spend the funds for the purposes outlined in the vote description in the Estimates.

*Client* – the legal entity (Ministry, Trust, Special Account, Special Fund) and the balancing segment in the General Ledger.

*Responsibility Centre* – identifies how the ministry has assigned responsibility and accountability to manage human, financial and capital resources.

*Service Line* – identifies the ministry program or service at the lowest functional level desired. A Service Line would be transferred in a government reorganization. Common Service Lines are established for an activity or service that is generally found across all of government.

*Standard Object (STOB)* – identifies the nature of goods and services purchased (office supplies, salaries) and the nature of payment (government transfers). Also used to classify transactions according to common characteristics such as expenses, revenue, assets, liabilities and equity.

*Project* – identifies projects or additional activity detail as defined by ministries or agencies. A project may span multiple sub-votes or votes, and project codes are to be used for temporary programs. An example is the FAA section 25 account detail. Ministries will use the Payments Based on Contributions Service Line, but use a project code to identify the specific section 25 account.

*Location* (not yet implemented) – defines where (the location) the benefit was received as a result of the transaction.

*Future* (not yet implemented) – segment reserved for future business.

For more chart of accounts information (i.e., STOB numbers/descriptions), refer to the Office of the Comptroller General intranet site, [Chart of Accounts](#) (government access only).

### 3.4.3 Specific Accounting Policies

For the government's specific accounting policies, refer to [Note 1 of the Summary Financial Statements](#) in the Public Accounts.

#### 3.4.4 Summary of Reports Required by the BTAA:

Report Description	Responsibility	<b>Budget Transparency &amp; Accountability Act</b> Section Reference
Main Estimates (form, content, due date, including fiscal forecasts & major capital project information)	Treasury Board Staff	Sections 5, 6, 7 & 8
Public Accounts (form, content, due date, reporting entities, supplementary statements & schedules, CRF & schedules)	Comptroller General	Section 9(1)(2)(3)
Quarterly Reports (form, content & due dates of interim financial statements)	Comptroller General and Treasury Board Staff	Section 10(1)(2)(3)(4)
Service Plans for government, ministries & government organizations (including form, content, due dates)	Ministries (supported by Treasury Board Staff & the Crown Agencies Secretariat)	Sections 12 & 13
Service Plan Reports for government, ministries & government organizations (including form, content, due dates)	Ministries (supported by Treasury Board Staff & the Crown Agencies Secretariat)	Sections 15 & 16

#### 3.4.5 Summary of Reports Required by the FAA:

Report Description	Responsibility	<b>Financial Administration Act</b> Section Reference
Assets & Liabilities Written Off & Forgiven	Comptroller General	Sections 17 & 18
Remissions	Comptroller General	Section 19
Amounts Received by Government	Comptroller General	Section 25(2)
Liabilities in Excess of Appropriation	Comptroller General	Section 26(3)
Overrulings & Irregularities	Comptroller General	Section 35
Investment Portfolio	Provincial Treasury	Section 44(3)
Borrowing Transactions	Provincial Treasury	Section 70(2)
Capital Lease Obligations	Comptroller General	Section 70(3)
Payments on Guarantees & Indemnities	Comptroller General	Section 74(3)

#### 3.4.6 Summary of Reports Required by the BBMAA:

Report Description	Responsibility	<b>Balanced Budget &amp; Ministerial Accountability Act</b> Section Reference
Estimate of operating expenses in CRF by each responsible Minister (other than the Minister of Small Business and Revenue) published with the main Estimates	Treasury Board Staff (supported by ministries)	Sections 5(1) & 6(1)
Minister of Small Business and Revenue amount of revenue specified by Treasury Board Regulation	Treasury Board Staff (supported by Ministry)	Section 5(2)
Ministers of State expected results specified by Treasury Board Regulation (also accountability statements in ministry service plans)	Treasury Board Staff (supported by ministries)	Section 5(3)
Collective ministerial comparison of expected & actual results by responsible ministers based on audited Summary Financial Statements, published with	Office of Comptroller General (supported by ministries)	Section 6(2)

Public Accounts

Individual ministerial operating expenses in CRF by each responsible Minister (other than the Minister of Small Business and Revenue) published with the Public Accounts

Office of Comptroller General (supported by ministries)	Section 6(2)
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A statement of holdback payment results	Office of Comptroller General	Section 6(2)
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## Expense Management

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## 4.1 Objectives

- ensure that an adequate framework is in place for the control and spending of public money
- the use of bank accounts, advances, charge cards and other expenditure instruments is appropriate and controlled
- expense administration is open, proper and accountable

## 4.2 General

Responsibility for spending public money is placed on ministers and deputy ministers by the Legislature through appropriation acts, the *Financial Administration Act*, the *Budget Transparency and Accountability Act*, the *Balanced Budget and Ministerial Accountability Act*, and specific statutes and related regulations administered by each ministry. This section establishes standards for financial transactions and the overall management of government expenses.

Ministries are responsible for expense management and administration within their programs, under the general direction of the Minister of Finance and Treasury Board.

The Comptroller General, subject to direction from Treasury Board, sets standards and maintains the government's financial policy framework.

## 4.3 Policy

### *Objectives:*

- ensure that expense authorities are clearly assigned, properly approved and that delegation instruments are regularly updated;
- ensure that the responsibilities and duties of expense authorities are clearly communicated and understood;
- ensure that appropriate officers are delegated expense authority, and they are held accountable for exercising that authority; and
- ensure that an appropriate financial control framework is maintained which permits a balance of risks, costs and efficiencies.

### *General:*

Ministers and deputy ministers have statutory responsibility for the stewardship of financial resources and for ensuring appropriate control of public money. To carry out this responsibility, ministers or deputy ministers authorize ministry officials to exercise responsibilities on their behalf through written delegation of authority.

The *Financial Administration Act*, sections 32 to 33.1, provide for expenditures from appropriations, expenditure authorization, payments from an appropriation, and trust fund expenditures and payments.

### 4.3.1 Delegation of Authority

1. The deputy minister (or minister) must approve delegated authorities in ministries. A delegated authority cannot be redelegated. A person formally acting in a position may exercise the authority delegated to that position.
2. Ministries must designate a signing authority officer who is responsible for the administration and control of ministry signing authorities. Delegation instruments must be properly documented and maintained, including electronic authorizations.
3. For each officer granted expense authority, a specimen signature card or electronic version must be maintained. The use of rubber signature stamps, adhesive slips or mechanically produced signatures are prohibited.

4. The authority, responsibility, and accountability inherent in the delegation must be clearly communicated to the incumbent of a position charged with expense authority.
5. Where a delegated expense authority is revoked, suspended or modified, it must be reported promptly to the signing authority officer.
6. Expense authority must be granted in relation to a position's organizational responsibility or duties, and can be restricted as to financial limit and standard object of expense (STOB). The STOB identifies the nature of goods and services purchased (e.g., office supplies) or the nature of a payment (e.g., government transfers).
7. The [Common Expense Authority Matrix](#) is the government standard for the delegation of authority by ministries. Ministry matrices must be maintained on the Corporate Signing Authority System, the official register for expense authorities.
8. Expense authority must be delegated to organizational positions and not to individuals. Amendments must only be made for changes in organizational structure or responsibilities, and not for personnel changes.

#### [Procedure Requirements - B.1](#)

#### 4.3.2 Expenditure Authorization

1. The purpose of this policy is to ensure separation of duties in financial transactions. It applies to both manual and electronic systems.
2. Specific roles are assigned to the ministry's deputy minister, executive financial officer, and chief financial officer as appropriate:
  - delegating expense authority (EA) to the appropriate staff in their ministry;
  - ensuring financial management reports are made available to EAs for review and follow-up; and
  - ensuring EAs, Qualified Receivers and other staff involved with financial transactions are trained and understand their responsibilities.
3. The EA and Qualified Receiver (QR) must be separate individuals and exercise their duties independently. In addition, the EA and QR must be government employees (or incumbents of government positions, but not contractors or volunteers). Any exception to this policy (i.e., for an extraordinary operational requirement) must be approved by the Comptroller General.

#### Expense Authority

1. An officer with expense authority must only approve an expenditure or payment requisition that will:
  - be a proper charge against an appropriation over which they have been delegated authority;
  - not exceed the available appropriation; and
  - comply with all relevant statutes, regulations, Treasury Board directives, other executive orders, and central agency and ministry policies.
2. EAs are accountable for compliance with this policy and for reviewing monthly financial management reports, and taking corrective action if discrepancies exist.
3. An EA must not approve an expenditure or payment requisition where the EA will be the payee.
4. In the event that an EA has improperly exercised their authority, appropriate follow-up action will be taken commensurate with the infraction. Repeat occurrences will result in applying an escalating process of discipline, potentially including loss of expense authority and dismissal.

#### Qualified Receiver

1. Regardless of who signs delivery documents, a Qualified Receiver (QR) must inspect/review the goods and services

received, and complete the electronic receipt or sign the direct invoice.

2. The QR must ensure goods and services have been received and the documentation to support the account has been verified in respect of:
  - Goods: as ordered, correct amount, correct quantity and suitable quality;
  - Services: as contracted, correct amount, appropriate deliverables and performance criteria met; and
  - other required conditions have been met.

#### [Procedure Requirements - D.1](#)

### 4.3.3 Expenditure Processing and Payment Review

#### Matching

1. The vendor's invoice or other documentation supporting the expenditure must be matched or, through other documentation, reconciled to the purchasing instrument and receipt before payment is made.
2. Upward variances between the approved request, purchase instrument, goods and services received, and invoice from the vendor must be approved by the EA. Any exceptions to policy must be approved by the Comptroller General.

#### Payment

1. Payment is released only when both:
  - an EA has approved the expenditure and variance(s), or payment requisition; and
  - a QR has certified all conditions have been met.
2. For government transfer payments related to third party programs, refer to policy 1, [4.3.6](#).
3. If an EA (or alternate EA with appropriate authority) is not available to approve a payment requisition electronically, Force Approval or the batch release procedures (see Procedures [D.11](#)) may be permitted. Force Approval may be used only where absolutely necessary and when its use has been pre-approved by the Comptroller General. Further, this use must be restricted and controlled. The ministry chief financial officer has the responsibility to ensure the financial control framework is preserved and that use of Force Approval:
  - is limited to exceptional circumstances or an emergency situation;
  - is supported by appropriate processes and controls, at a minimum:
    - restricting Force Approval access to a limited number of users;
    - segregation of incompatible duties, such that a person with access to Force Approval does not also have invoice entry ability;
    - independent and timely review of Forced Approval payment reports; or
    - compensating controls, as determined by the chief financial officer.
4. Where Force Approval has been used, an EA must still approve the expenditure and provide documentation to support the account.
5. When only verbal approval is possible by an EA prior to payment, the EA must provide an email note, facsimile or other support as confirmation of the approval, and ensure that documentation is immediately forthcoming to support account payment.
6. In addition, the ministry must assess (at least on an annual basis) any continued reliance on Force Approval rather than payment as in policy 1.
7. The Comptroller General must approve any exception to this policy. A request for an exemption to policy requires the submission of a risk and control review.

## Payment Review

In accordance with [CPPM 19.0](#), payments may be selected by OCG at any time for the purpose of reviewing accuracy and policy compliance.

### 4.3.4 Documents and Other

#### Documents

1. A printed email or a faxed copy of a document is acceptable evidence of certification in a control environment that includes:
  - a reliable, secure email login and protocol;
  - informing users of responsibility for system access and protection of user IDs and passwords;
  - capability to confirm the source of the email or faxed document; and
  - review and reconciliation of transaction and financial management reports.

#### Other

1. Officers with EA must authorize staffing and other requests involving payments to government personnel under their responsibility (e.g., overtime and meal allowances, but not pay increases governed by collective agreements).
2. For account approval by an officer who no longer has expense authority (EA) at the time the account is processed, the officer's EA replacement or next higher authorized officer must approve the account. If no EA is available, the chief financial officer or executive financial officer must approve the account.

#### [Procedure Requirements - D.6](#)

### 4.3.5 Electronic Processing

Written signatures provide the most direct evidence of expense authority approval of a financial transaction and certification by a qualified receiver. In an electronic environment there may only be an electronic record of the transaction when the related processing is completed. An electronic signature will be the evidential documentation of expense authority authorization and qualified receiver certification for the associated financial transaction.

In this instance, appropriate environmental and application controls are necessary to support the use of electronic signatures, and to maintain the integrity of data and assure trust and accountability in the system. For example, the logon protocol that validates the user's ID and password before permitting access to the government's protected domain, the BCGOV system, is an access or security control.

#### Authorization Standards

1. Processes developed for authorizing electronic financial transactions must adequately ensure:
  - reliable identity, including association of an electronic signature with relevant data to create dependable evidential documentation of the signer's intended approval of the financial transaction;
  - non-repudiation where a person could not deny involvement in the transaction;
  - data integrity to prevent data alteration after signing; and
  - confidentiality so that only authorized persons can access the data.
2. Appropriate processes and controls must be established to ensure valid and reliable electronic authentication and adequate access to information.
3. Internal controls, security and other measures, appropriate for the risk, must be developed to assure processing integrity, business accountability, business continuity and protection against malicious attacks and other intrusions on the system.

4. Records must be created, stored and maintained such that the transaction (together with an audit trail of the associated workflow) can be retrieved and verified to source for audit and other recorded information purposes.
5. System security incidents and any related loss of assets must be reported promptly on a [General Incident or Loss Report](#).
6. In deploying electronic authorization, the following must be taken into account, as appropriate:
  - technological risk;
  - best practices and consistency with government's electronic service delivery strategy and direction;
  - generally accepted electronic signature standards as they are modified from time to time; and
  - international uniform commercial code to facilitate electronic commerce.
7. A security threat and risk assessment must be completed in support of an electronic signature deployment. Where it is practical, the security threat and risk assessment may be done in conjunction with a risk and control review of a new financial system. (See chapter 13, [Financial Systems and Controls](#).)
8. The security threat and risk assessment and report must be completed by a qualified, objective party and the report made available to the Comptroller General on request. Internal Audit and Advisory Services should be consulted as a part of the risk analysis process.

#### 4.3.6 Third Party Programs

Third party programs include expenditures to third parties for client purchases that are authorized by legislation and defined by regulation (e.g., BC Employment and Assistance entitlements). For these [government transfer payments](#), expenditure authorization is based on the integrity of overall processes, systems and controls in a ministry. Expense authority and qualified receiving functions may be demonstrated in different ways, be applied outside of government, and not necessarily exercised on every voucher or invoice, due to high volumes or the nature of a program. Controls including ministry program reviews, and verification procedures completed prior to payment, supplement the financial framework.

1. Force Approval is permitted to release payments for third party programs when its use has been pre-approved by the Comptroller General and it is restricted and controlled. It is the responsibility of the ministry chief financial officer to ensure that Force Approval:
  - is limited to program areas where expenditure authorization is consistent with core policy ([4.3.2 Expenditure Authorization](#));
  - is supported by appropriate processes and controls, at a minimum:
    - restricting Force Approval access to a limited number of users;
    - segregation of incompatible duties, such that a person with access to Force Approval does not also have invoice entry ability;
    - independent and timely review of Forced Approval payment reports; or
    - compensating controls, as determined by the chief financial officer.
2. In addition, the ministry must assess (at least on an annual basis) any continued reliance on Force Approval rather than payment as in policy 1, [4.3.3](#).
3. The Comptroller General must approve any exception to this policy. A request for an exemption to policy requires the submission of a risk and control review.

#### 4.3.7 Commitments

Obligations entered into on behalf of the government need to be approved, recorded and controlled to ensure that sufficient funds are reserved, and that appropriations are not over expended.

1. Ministries must maintain an effective system of commitment control for disbursements, including those made:

- under the authority of appropriations detailed in the main Estimates;
  - under the authority of special warrants;
  - from special purpose funds;
  - for statutory payments; and
  - from trust funds.
2. Commitments must only be authorized by those ministry officers delegated expense authority. No commitment must be made that would result in a greater expense than a ministry's current year's appropriation(s), a special account or a trust fund.
  3. Ministry systems for commitment control must include:
    - direction regarding the point at which commitments must be recognized;
    - identification of amounts reserved from the ministry's current and future years' appropriation(s);
    - records of commitments that are properly maintained and integrated with the ministry's accounting system; and
    - periodic reviews of outstanding commitments to ensure they reflect their current status.

#### 4.3.8 Timing and Distribution of Payments

The timing of payments by the government affects cash flow, the cost of goods and services acquired and the benefit to recipients, suppliers and organizations. Controls are required to ensure that public money is spent properly and payments are distributed to the correct payees.

1. Each ministry must maintain a payment process that ensures the proper payment date is met.
2. Invoices to the government must be date stamped on the day of receipt by the ministry. No payment is permitted prior to the date established in policies 4, 5, and 6, except where:
  - the payment date is set by contract;
  - the contracted price is based on payment within a specified time; or
  - an early payment discount is available.
3. Salaries and wages must be paid bi-weekly on every second Friday, except:
  - field salaries and wages from imprest accounts that must be paid as required by statute and/or contract;
  - vacation advances on earnings, allowed once per calendar year, upon 30 days written notice; and
  - final cheques to terminating employees must be paid in accordance with the provisions of the *Employment Standards Act*.
4. Supplier invoices must be paid as close as possible to 30 days after receipt of the invoice or receipt of the goods, whichever is later. Invoices offering an early payment discount may be paid as required to obtain the discount.
5. Refunds and overpayments must be paid as close as possible to 30 days following receipt of a claim. Refunds resulting from ministry errors must be paid as soon as possible.
6. Contract invoices must be paid as close as possible to 30 days of receipt of the invoice or service, whichever is later. The engineer responsible for the contract must pay construction contract invoices as close as possible to 30 days after authorization. Contract invoices offering an early payment discount may be paid as required to obtain the discount.
7. Invoices, contracts or refunds paid more than 60 days after they become due must bear interest charges. Refer to section 4.3.13 policy on [Interest on Money Owing by the Province](#).
8. No early payment must be made unless the discount received exceeds [an amount and rate \(noted under Early Payment Discounts\)](#) set, from time to time, by the Minister of Finance.
9. All payments must be made and distributed by the Ministry of Finance except the following:
  - payments drawn on ministry bank accounts;  
on Provincial Treasury's approval:

- payments presented or appended to correspondence signed, personally by a minister or deputy minister;
  - overdue payments that, if not returned to the ministry, would result in a significant detrimental financial loss;
  - payments that must be made at time of, or prior to receipt of goods and services (such as permit applications);
  - payments to be distributed by a solicitor relating to real property;
  - payments of an emergency nature;
- payment for salaries, wages and accountable advances; and
  - payments for certain programs as approved by the Ministry of Finance.
10. Ministries requiring payments by means of electronic funds transfer must submit a written request to the Ministry of Finance preceding either:
- the payment date; or
  - the first payment date of a payment schedule.
11. Payments not otherwise referred to in this policy may be distributed by the ministry originating the request for payment, upon approval of the Deputy Minister of Finance or his/her delegate.
12. A payment must not be distributed by a person, who has exercised expense authority for the payment, except with the written approval of the ministry executive financial officer on recommendation of the chief financial officer.

#### 4.3.9 Advances

The purpose of an advance or accountable advance is to fund payments on account of expenses incurred or to be incurred against an appropriation.

1. Ministries must maintain adequate processes for the control and accountability of accountable advances and the recording of related transactions.
2. Employees issued an advance must make a written assignment of salaries and wages, except in the case of a temporary salary and wage advance. Where an accountable advance is issued to a non-employee, a signed undertaking to repay the advance must be obtained.
3. The amount of an accountable advance must only be large enough to cover the payments reasonably be expected to be made from the advance.
4. Ministries must periodically verify issued accountable advances and reconcile, at least semi-annually, the ministry control account with central accounting records.
5. Accountable advances must be approved by a ministry officer delegated signing authority for that purpose.
6. Ministries must ensure any outstanding accountable advance issued to an employee is accounted for and repaid prior to an employee's termination and the disbursement of the employee's final payroll cheque.
7. When an employee has not repaid an amount owing to the Province following notice, ministries must undertake arrangements to recover the amount owing, including possible set-off action. In taking set-off action against an employee's salaries and wages, ministries may take into account employee financial hardship in determining the recovery schedule.

#### [Procedure Requirements - B.2](#)

#### ***Temporary Accountable Travel Advances***

1. Only those employees who do not qualify for a travel card will be issued a temporary accountable travel advance to cover travel expenses incurred on a specific business trip. Where a temporary accountable travel advance is used, it must be for travel where the employee makes a single trip or a number of trips within a 30-day period.
2. Approval by the deputy minister or the designated chief financial officer must be obtained if the employee requesting a temporary accountable travel advance already holds a standing travel advance and the combined total of the travel

advances exceeds \$1,500.

3. A temporary accountable travel advance must be accounted for within one week of the completion of the trip (or 30 days in total).

### ***Standing Accountable Travel Advances***

A standing accountable travel advance may be issued to employees required to travel on a continuing basis indefinitely, or on a continuing basis for a fixed period of time exceeding 30 days (e.g., seasonal travel).

1. A standing accountable travel advance must only be issued when there is no other viable alternative.
2. Authorization of a standing accountable travel advance is restricted to the ministry's deputy minister.
3. An application for a standing accountable travel advance must include justification for the advance and the required period of time. The standing accountable travel advance must be repaid at the end of that period.
4. If a standing accountable advance has not been used for three months, the ministry chief financial officer must reassess the need for the advance. Standing accountable travel advances not used during a six-month period must be repaid.

### ***Working Capital Advances***

Working capital advances such as petty cash funds, field crew trust accounts and cashier floats are issued to expedite field operations in reimbursing certain expenses.

1. A working capital advance must only be provided to a continuing employee and used for reimbursing operating expenditures.
2. The ministry chief financial officer must authorize a working capital advance that exceeds \$1,500.
3. Reimbursement claims for working capital advances must be submitted on a timely basis, taking into account processing costs and the materiality of the amount to be replenished. (Use the [Petty Cash Reconciliation/Replenishment Report Form, FIN 95](#)).
4. A working capital advance must not be excessive for the level of intended expenses, and it must be reviewed periodically to see that it remains so.
5. Working capital advances must be accounted for and repaid within ten working days following the fulfillment of the purpose for which the advance was made.
6. Where it is necessary to transfer the responsibility for a petty cash advance, one of the following must be done:
  - a. the existing petty cash advance is refunded by the present holder, and a new advance is requisitioned for the new holder; or
  - b. a formal record is made of the transfer. This record must consist of adequate documentation including:
    - a reconciliation of the petty cash advance;
    - transferor and transferee signatures; and
    - verification by the immediate supervisory management.
7. Ministries must ensure that the holder of a working capital advance fully understands the responsibility and is given adequate facilities and written instructions respecting the control, use, reconciliation, reimbursement and safekeeping of the entrusted monies.
8. The holder of a working capital advance must not have responsibility for the handling of accounts receivable, account verification, or payment approval. An exception to this policy may be made if the holder of the working capital advance is located where there are insufficient personnel to segregate responsibilities. The ministry chief financial officer must approve any exceptions to this policy.
9. Ministries must periodically perform and document independent verifications of working capital advances to determine that the funds are used properly, protected adequately against loss and accounted for completely.

10. Where there is a loss involving a working capital advance, ministries must take appropriate action in accordance with policy on [Loss Management](#), CPPM chapter 20.
11. Overages revealed in the working capital advance must be deposited and credited to the ministry miscellaneous revenue account. Any fund shortage arising from normal administration (e.g., human error) of the working capital advance must be charged to ministry expenditures. The ministry chief financial officer or an officer delegated the responsibility must periodically review the appropriateness of these charges.

#### [Procedure Requirements - B.2.4](#)

### **Supplier Advances**

1. Advances to suppliers may only be issued where:
  - the supply of goods or services cannot be made by an alternate supplier with less stringent payment terms; or
  - no alternative goods or services will meet the ministry's needs; or
  - special discounts can be obtained; and
  - the supplier is financially responsible.
2. An advance to a supplier must be authorized by a ministry officer delegated expense authority for the particular program and by the ministry chief financial officer.
3. Outstanding advances to suppliers must be reviewed quarterly by a responsible ministry officer for:
  - the continued need for the advance;
  - the appropriateness of the amount advanced; and to
  - reconcile supplier and ministry records

### **Other Accountable Advances**

Other accountable advances may be issued to employees in the normal course of administration for various purposes, such as relocation advances, salary and wages advances and education advances.

1. A temporary salary and wage advance must not exceed the amount of the bi-weekly salary or wage due to the employee, less any payroll deductions.
2. Reimbursement claims for other accountable advances must be submitted no later than ten days after the end of any month in which expenditures are incurred, taking into account processing costs and the materiality of the amount to be replenished.
3. An accountable advance issued under this section must be accounted for and repaid within one week following the fulfilment of the purpose for which the advance was made. A temporary advance for salaries and wages may be recovered from the next regular payroll cheque of the employee.

#### [Procedure Requirements - B.2.1, B.2.2](#)

### 4.3.10 Loans

Loans are a special category of disbursements made under the authority of certain statutes, regulations and directives. Section 45(1) of the *Financial Administration Act* requires the government to make loans only by order of, or in accordance with directives of the Lieutenant Governor in Council on the recommendation of the Minister of Finance.

1. Where not prescribed by statute, ministries must develop criteria under which loans can be made under an enactment. The criteria must be in the form of regulations made pursuant to the enactment under which the loan can be made, and:
  - include conditions for eligibility, repayment terms, interest charges, collateral, and other conditions requested by the appropriate minister and/or the Minister of Finance; and

- the loan criteria developed must be reviewed by the Minister of Finance and be approved by the Lieutenant Governor in Council.
2. Where permitted by regulation, all loans must be approved by officers who have been delegated expense authority for that purpose.
  3. Where collateral is held or assigned as security, the loan must be registered in accordance with the loan's authorizing enactment. Where registration is not specified, registration must be completed:
    - in accordance with general statutes and regulations of the Province, and
    - in consultation with, or in accordance with procedures that may be specified by, the Ministry of the Attorney General, to protect the Province's claim on collateral held or assigned as security.
  4. All loans must be recorded as assets in the ministry's accounting records. Detailed information must be kept to include:
    - name and address of the debtor;
    - collateral held or assigned to secure the loan;
    - date the loan was made and the date due;
    - interest rate and how calculated;
    - the principal sum of the loan and the authority under which the loan was made;
    - repayment terms; and
    - the officer(s) who authorized the loan.
  5. Ministries must establish appropriate processes to safeguard collateral held to secure a loan.
  6. Loans must be assessed at least annually or as soon as a payment is not received on time, whichever occurs first. A provision for doubtful accounts must be made at the end of the fiscal year.
  7. Except for loans with blended payment terms, claims for interest due on loans must be made in writing to the debtor prior to the due date and entered in ministry accounting records as separate accounts receivable.
  8. Unless otherwise provided by legislation, any loan repayment must first be applied to the interest earned at the time of repayment and then to the principal.
  9. Except as otherwise provided by an enactment, regulation or Treasury Board directive, payments received must be credited to the Consolidated Revenue Fund.
  10. When repayment terms of a loan registered have been met, a formal discharge of the loan is to be completed and filed in accordance with procedures as may be prescribed by statutes and regulations of the Province and as prescribed by the Ministry of the Attorney General. Formal discharge is also required to fully release any encumbrance on collateral held.
  11. Discharges must not be approved by the same officer who authorized the loan.

#### 4.3.11 Ministry Bank Accounts

Payments from the Consolidated Revenue Fund for goods and services, or for other purposes, are generally made under the authority of the Minister of Finance. However, it is also recognized that this may not always be convenient. The *Financial Administration Act* provides the authority to use ministry bank accounts as an effective alternative to the Province's main cheque payment facility.

1. Ministry bank accounts must be approved by the Minister of Finance or his/her delegate. Ministry bank accounts established for the purposes of depositing public money must be separate from those accounts established for the making payments, with the exception of trust bank accounts.
2. Ministries must:
  - keep the number of bank accounts they require to a minimum in relation to operating requirements; and
  - ensure that accounts are established with the principal banker of the Province where possible.
3. Applications for a ministry bank account must be signed by the ministry's executive financial officer or chief financial officer

4. The authority to sign cheques on ministry bank accounts must be delegated, in writing, by the deputy minister to an authorized officer in the ministry, or to an authorized officer in another ministry, or to a person other than an authorized officer, where the appropriate level of control is in place.
5. The signatures of at least two officers delegated authority to sign cheques are required on cheques drawn on ministry bank accounts. Where this is not practical, the ministry chief financial officer may authorize the signature of only one authorized officer. In this regard, ministries must provide appropriate justification, including the additional internal controls that will be put place for such cases.
6. Ministries may, with the approval of the Comptroller General, use signature plates to sign cheques on ministry bank accounts where it is cost effective; however, if only one signature on cheques drawn on ministry bank accounts is possible, signature plates must not be used. Submissions to the Comptroller General seeking approval to use signature plates must include, as a minimum:
  - a. a description of the procedures and controls that will be used where signature plates are requested;
  - b. an analysis of the cost benefit of the use of signature plates; and
  - c. an example of the signature plates that will be used showing the signatures of the authorized officers that will appear on cheques drawn on ministry bank accounts.
7. Ministries must implement procedures to safeguard and secure the signature plates at all times.
8. Rubber stamp signatures must not be used to sign cheques on a ministry bank account.
9. Deposits to ministry bank accounts are restricted to:
  - remittances received for the purposes of establishing, replenishing or increasing the accountable advance for the working capital required in the account; and
  - monies received as a refund or repayment of an expense or an advance made from the account.
10. Cheques drawn on ministry bank accounts must be supported by documentation that is appropriate to the issue of the cheque (e.g., invoices, receipts) and certified by an expense authority.
11. Records must be maintained of all deposits to and cheques drawn on ministry bank accounts. Bank reconciliations must be done monthly, independently reviewed and approved by the ministry chief financial officer. Outstanding cheques that remain unpaid for a period of six (6) months following issue are stale-dated and are to be cancelled with notification to the bank.
12. Except as otherwise authorized by the Minister of Finance, cheques must not be drawn on ministry bank accounts that would cause the account to become overdrawn.
13. Reimbursements to ministry bank accounts must be made monthly or as required to ensure the account is not overdrawn.
14. Payments must not be made to payees against whom a legal encumbrance exists.
15. Ministries must establish and maintain a record of ministry bank accounts including a list of those officers who are authorized to sign cheques. This record must be reconciled at least once each year with the central bank account records (CBAR) maintained by the Ministry of Finance. Any errors or omissions must be identified and corrected immediately.
16. Ministries must conduct at least annually a review of ministry bank accounts to ensure each account is still required and is being used for the purpose originally intended as approved by the Minister of Finance. Any account that is no longer required or is not being used for the purposes originally intended must be closed. Ministries must arrange closure through the Provincial Treasury, the Ministry of Finance.

### [Procedure Requirements - B.3](#)

#### 4.3.12 Chief Financial Officer Bank Account

1. The application for establishing a chief financial officer bank account must be signed by the ministry executive financial officer and submitted to the Comptroller General for approval. This type of ministry bank account can be used for the purposes of paying ministry expenses, within specific limits.
2. The working capital amount advanced for operation of the chief financial officer bank account is to be charged to a special category of cash in bank established for that purpose by the Office of the Comptroller General. This working capital is not an accountable advance for the purposes of policy outlined in Advances, section 4.3.9.

3. The working capital amount advanced for operation of the chief financial officer bank account must be approved by the Comptroller General. The amount of the advance must be kept at a minimum level commensurate with the anticipated payments projected on a quarterly basis and the lead-time required to obtain replenishment.
4. The chief financial officer bank account cheque signing authority must be maintained at an appropriately high level of responsibility and not be less than Financial Officer 1.
5. When there is a personnel change in the position of ministry chief financial officer, either on a temporary or permanent basis, bank signing authorities must be amended as appropriate and both the Comptroller General and the Director of Banking/Cash Management must be informed in writing.
6. When a transfer of account responsibility is made, a reconciliation of the account and a transfer agreement must be prepared as at an appropriate date. Agreement to the reconciliation and acceptance of the transfer of responsibility for the account must be signed by both parties involved in the transfer.
7. When a chief financial officer bank account is no longer needed, ministries must make arrangements to close the account with the Provincial Treasury.

### [Procedure Requirements - B.3](#)

#### 4.3.13 Interest on Money Owing by the Province

The [Interest on Overdue Accounts Payable Regulation](#) provides the authority for interest to be paid on monies owing by the Province. Ministries must ensure that all accounts representing money owing by the Province are processed with a minimum of delay to avoid or minimize the payment of interest. This policy section does not apply to amounts owing between ministries.

1. [Interest is due on monies owing by the Province](#) from the sixty-first (61st) day after the date the money becomes due to the date payment of the money owed is mailed or delivered to the payee. Money owing by the Province for goods and services becomes due when both:
  - a ministry has received an invoice or a written request for payment; and
  - the goods have been delivered in good condition or the services have been performed satisfactorily, or both, in accordance with an agreement.
2. On any overpayment, including those amounts in policy 3, interest is due on monies owing by the Province from the later of:
  - October 1, 1980; or
  - the sixty-first (61st) day after the government received the overpayment
3. When the government becomes liable for a repayment of money received for taxes, royalties, fees or other charges made under an Act due to a legislative amendment, interest is payable only from the date that the repayment becomes due, or the person receiving the payment presents his claim.
4. Except as otherwise provided by other provincial or federal enactments, interest is not paid on money owed by the government:
  - where the government acts in the capacity of an agent or trustee;
  - to a corporation, association, board or commission to which the *Financial Information Act* applies;
  - to a regional hospital district as defined in the *Hospital District Act*;
  - to a municipality or regional district to which a grant under the *Local Government Grants Act* may be made;
  - to the Government of Canada;
  - for salary, wages, benefits or expenses owed by the government to an employee of the government in respect of that employment; or
  - where the amount of interest payable in all cases is less than \$5.00.
5. Interest must be calculated at the annual rate and in the way specified in the [Interest on Overdue Accounts Payable](#)

[Regulation.](#)

6. When interest is payable under an act or regulation, payment must be made in accordance with the provisions of the enactment.
7. When interest is payable under a trust, the payment must be made in accordance with the terms of the trust instrument, agreement or other authority governing the monies held in trust by the government.
8. Ministries contemplating the inclusions of a term providing for the payment of interest in acts, regulations, trusts or contracts must obtain guidance from the Provincial Treasury before finalizing the documents. Where a contract specifically provides for the payment of interest that provision must be followed.

#### 4.3.14 Transfer Payments

Transfer payments are transfers of money from the Province to an individual, an organization, another government, or a trust fund for which the Province does not receive any goods or services directly in return, does not expect to be repaid in the future, does not expect a financial return, or has an ongoing involvement in the trust's activities. Transfer payments are distinct and separate in this respect from other [acquisitions by government](#) where it receives goods or services directly in exchange for a payment.

#### Accounting and Classification

1. Transfer payments must be defined in accordance with the criteria described in [Appendix 1](#) as one of three payment categories:
  - Grant;
  - Entitlement; or
  - Transfer under Agreement (including shared cost).
2. Transfer payments must be recorded and reported accurately, completely and on a timely basis to comply with government's accounting policy as described in [Appendix 2](#).

#### General Payment Standards

3. Transfer payments must support approved ministry service plans and program objectives.
4. A transfer payment must be authorized by a ministry official who has been delegated expense authority for this purpose.
5. A transfer payment shall only be made:
  - for specified purposes in accordance with established eligibility criteria;
  - under a statutory authority, formula or regulation; or
  - in accordance with a formal agreement, or a shared-cost agreement for the purposes specified in an agreement.

#### Documentation and Payment Management

6. Written documentation between the Province and the [recipient](#) is required in support of a transfer payment. For Grants and Entitlements, the use of an application form or correspondence with the recipient may be sufficient. For a Transfer Under Agreement, a formal written agreement must be used that clearly identifies the terms and conditions (see [Appendix 3](#) for guidance). Where it is necessary, ministries are to seek legal counsel in developing a transfer agreement or a trust fund. Policy for trusts is outlined in [Appendix 4](#).
7. Transfer payments must be managed in a manner that:
  - is open and transparent to the public;
  - provides for government independence and objectivity;
  - clearly identifies roles and responsibilities;

- provides adequate administration and documentation; and
  - takes into consideration economy, efficiency and effectiveness.
8. The responsible ministry must undertake measures to conduct appropriate due diligence on a prospective transfer payment recipient, including, where applicable, credit and background checks on key signatories, verification of business references and other certifications.
  9. The engagement of a Transfer under Agreement must demonstrate accountability and economic efficiency. The choice of a service provider shall follow government's [competitive selection process](#) unless a [direct award condition](#) applies, or where
    - financial assistance is provided to a specified target group or population (e.g., a First Nation, or a direct beneficiary- individual or family or legal guardian of that individual under a community/social service program); or
    - it is a shared cost agreement or a public private partnership where a competitive selection is not appropriate.
  10. Records of transfer payments, and an appropriate management information system and monitoring strategy must be maintained by the responsible ministry to ensure the terms and conditions for the transfer payment are met.
  11. The performance review of a recipient must be carried out with independence and objectivity. An employee shall not take part in a performance review if he/she is exposed to an actual, perceived or potential conflict of interest in relation to a performance review.

#### Repayment of a Transfer Payment

12. Where a transfer payment is paid
  - after the expiry of eligibility;
  - on the basis of fraudulent or inaccurate information;
  - in error; or
  - the recipient has not complied with the terms and conditions for the payment,
13. the ministry executive financial officer or other designated ministry official will determine the extent of repayment with reference to the nature and severity of the situation, and record the amounts owing as a debt receivable to the government.
14. Refund of an overpayment is required immediately or reasonable arrangements must be made to ensure repayment in due course.

#### 4.3.15 Payments Based on Contributions

An external party may contribute money towards a government expenditure where the receipt of this contribution is not provided for in the main Estimates. Section 25(1) of the [Financial Administration Act](#) allows payment, based on such contribution, out of the Consolidated Revenue Fund up to the amount of the contribution.

1. A contribution agreement or undertaking must contain
  - details of the amounts, timing and extent to which contributions are to be made;
  - estimate and timing for government expenditures; and
  - where applicable, details of the authority under which the agreement or undertaking has been executed.
2. Ministries must maintain agreement or undertaking records and any other necessary supporting documentation.
3. The FAA does not apply where the amounts to be received are the result of insurance claims or for credit or recovery

of payments made under FAA section 23(3).

4. In the case of new or existing single or multi-year contribution agreements, an estimate of the expenditure and matching contribution by way of revenue or recovery must be included in the main Estimates if the amounts are known or can be reasonably forecasted at the time of preparing the Estimates. Generally, ongoing programs involving contributions are included in the main Estimates and all expenditures and recoveries are treated in accordance with FAA section 23(3).
5. Payments based on contributions under FAA section 25 accounts must be approved by the minister, deputy minister or his/her delegate.
6. Contributions towards expenditures received by the Province must be deposited to the Consolidated Revenue Fund.
7. For each fiscal year, ministries must provide OCG, Financial Reporting and Advisory Services with a report of authorizations and payments made pursuant to FAA section 25(1).
8. Authorizations made under FAA section 25 must be reported in the annual Public Accounts of the Province.

#### 4.3.16 Refund of Expenses

The government may receive refunds of expenses for a variety of reasons ranging from an overpayment to a supplier to the recovery of a debt written off.

1. Documentation pertinent to the receipt of a refund, such as a credit note, reason for the refund, and other related documents, must be maintained by ministries.
2. The value of a refund of expenses must be determined as soon as possible, and where material be recorded as an account receivable. Where necessary, a set-off may be used to retain money due or payable to a person who owes money to the government.
3. Refunds of expenses incurred in the current fiscal year must be credited to the appropriate expense account.
4. Refunds of expenses incurred in prior fiscal years must be credited to an account, "Recovery of Prior Year's Expenditures" established by OCG, Financial Reporting and Advisory Services.

#### 4.3.17 Holdbacks

Holdbacks are a common feature of contractual arrangements where payment for the performance of work, the delivery of goods or the rendering of services is dependent upon satisfactory contract performance. The withholding of all or a portion of such payments may be governed by the terms of a contract, or by statute that empowers the government to withhold funds where the quality of services provided is not satisfactory.

1. A holdback must only be made in accordance with the terms and conditions of a contract or the provisions of a statute governing that payment.
2. Where not prescribed by statute or regulation, ministries must develop criteria under which holdback clauses will be included in the terms and conditions of contracts.
3. A holdback provision must only be exercised after a claim or other appropriate documentation has been received that attests to the degree of completion and/or quality of work performed. Ministries must maintain documentation related to the exercising of holdback provisions.
4. A holdback control account must be kept in the ministry general accounting system. Subsidiary accounts are to be maintained to disclose the individual amounts owing as well as the aggregate total, and must be reconciled monthly to the control account.
5. A report of holdbacks payable that are outstanding for more than 90 days must be reviewed monthly by the ministry's chief financial officer.
6. Contracts with a holdback provision must also include a provision that interest must not be charged on payments withheld in accordance with the contract.

#### 4.3.18 Accounting Transfers

Accounting transfers are internal transactions arising from situations that necessitate adjustments to the financial records. Such situations include corrections, account allocations, ministry transfers, accruals and adjustments. To maintain the integrity of the accounting information, accounting transfers must be subjected to appropriate control.

1. Expense authority is required to approve accounting transfers affecting expense and capital accounts. Revenue authority is required for accounting transfers affecting revenue accounts or non-revenue accounts for the accrual or deferral of revenue.
2. The issuing ministry (client) must process the accounting transfer (including chargebacks and other inter-client transfers) in accordance with established procedures.
3. Any chargeback proposed by a ministry or agency must be approved by Treasury Board and apply the principles for internal recovery of consumption based services (CPPM [4.3.22 Internal Recoveries](#)).
4. Chargeback agencies must
  - provide an annual report of their operation including comparative figures for prior years when requested by client ministries; and
  - ensure that detailed reports are available to the ministries in an electronic format that can be incorporated into ministry reporting systems.

### [Procedure Requirements - F](#)

#### 4.3.19 Purchases by Government Charge Card

Charge cards are a widely used payment method for the purchase of goods and services. Ministries may use charge cards to expedite purchases wherever the practice is efficient and cost-effective.

##### General

1. Only an approved government charge card may be used to incur expenses in the name of the Province. Exemptions to this policy require Treasury Board approval. A request for exemption is to be forwarded to the Comptroller General.
2. Ministries that receive unsolicited charge cards must destroy them immediately.
3. Ministries must maintain a record of their government charge cards and reconcile, at least annually, to the central registry maintained by Common Business Services (Ministry of Labour and Citizens' Services). Ministries must also periodically review card activity and recall those cards that are no longer needed.
4. Interest on overdue accounts payable or late payment penalties are to be paid to the extent required by the negotiated master agreements. However, ministries must implement administrative processes to avoid the payment of interest and penalties.
5. Government charge cards issued must be embossed with "PROVINCE OF BRITISH COLUMBIA" or an abbreviation thereof, a unique identification number, and if applicable, the ministry and/or cardholder's name.

##### Purchasing Card

The purchasing card is the primary instrument for making small dollar value purchases for government. Its use has increased the efficiency and cost-effectiveness of government purchases; however, it has not replaced the reliance on sound procurement practices and effective financial controls. Purchases need to be fair, open and prudent and provide the best value for money spent. The general administration and control of the Purchasing Card Program is a ministry responsibility administered through the chief financial officer and the purchasing card coordinator/alternate. Ministries may further restrict the use of the purchasing card to meet their operational requirements.

1. *Authorization*

Purchasing cards are issued under the general provisions of expense authority delegation. Transactions require prior approval (preferably in writing/email) and monthly, the cardholder, as qualified receiver, reconciles, verifies and submits his/her purchasing card statement to the expense authority for approval. Where a cardholder is required to make purchases that will be charged to several budget allocations, the issuance of the card should be approved by the chief financial officer or expense authority who has delegation over the budget areas in question. Transactions and statements should be authorized by the appropriate expense authority.
2. *Transaction and Monthly Limit*

Transaction and monthly limits should be set annually based on actual requirements and must be within the budget allocation of the expense authority to whose budget the expenditures will be charged. Transaction limits above \$5,000

require the additional approval of Common Business Services and approval for monthly limits above \$100,000 must also be obtained from the Office of the Comptroller General.

### 3. *Safeguarding the Card*

Every effort should be taken to ensure that the purchasing card is only used by the individual whose name appears on the face of the card. Lost or stolen cards must immediately be reported to the customer service representative of the issuing card company and to the ministry purchasing card coordinator. Cardholders are also to inform the purchasing card coordinator if they change jobs &/or leave the ministry. Cardholders may be required to return their purchasing card to the purchasing card coordinator for cancellation and disposal at the request of their ministry or the Office of the Comptroller General.

### 4. *Training and Acknowledgment of Terms of Use and Consent*

It is the responsibility of the cardholder to ensure they understand their responsibilities and have been properly trained in the appropriate use of the purchasing card. Ministries are responsible for providing this training, ensuring cardholders understand their responsibilities and that cardholders have completed and signed the *Government Purchasing Card Acknowledgment of Terms of Use and Consent* before cards are issued for use.

### 5. *Card Use*

The purchasing card is only to be used for approved government purchases and should not be used for cash advances or for expenditures where other government-approved charge cards are more appropriate (such as the travel card for travel-related expenditures and the service card for fleet vehicle maintenance).

### 6. *Payment of Statement*

Purchasing Services Branch (Ministry of Labour and Citizens Services) will promptly process and pay the monthly purchasing card statements on behalf of the ministries. Ministries will be charged back their total expenditures on an inter-ministry journal voucher to a ministry clearing account. Individual cardholder statements are to be reconciled by cardholders, approved by expense authorities and processed to the appropriate account coding by the ministries to off-set the clearing account entry.

## [Procedure Requirements - E.6](#)

### Travel Card

The Travel Card Program was established to provide a less costly and more efficient program to minimize cash advance requirements for government-related travel and has all but replaced accountable travel advances. The general administration and control of the Travel Card Program is a ministry responsibility administered through the chief financial officer and the travel card coordinator/alternate.

#### 1. *Authorization*

All government employees who incur reimbursable travel-related costs and meet the eligibility guidelines established by their ministry can apply for a travel card. Credit checks are not required and the travel card application is usually authorized by the expense authority whose budget will be charged for the reimbursable expenditures incurred. The travel card is a shared liability charge card. The Province is liable for all legitimate travel expenses for which it has not reimbursed the cardholder, and the cardholder is liable for any unauthorized charges and for approved travel expenses for which he/she has already been reimbursed.

#### 2. *Cash Advances, Transaction and Monthly Limits*

Daily cash advances, transaction and monthly limits should be set annually based on actual requirements and must be within the budget allocation of the expense authority to whose budget the expenditures will be charged.

#### 3. *Safeguarding the Card*

Every effort should be taken to ensure that the travel card is only used by the individual whose name appears on the face of the card. Lost or stolen cards must immediately be reported to the customer service representative of the issuing card company and to the ministry travel card coordinator. Cardholders are also to inform the travel card coordinator if they change jobs &/or leave the ministry. Cardholders may be required to return their travel card to the travel card coordinator for cancellation and disposal at the request of their ministry or the Office of the Comptroller General.

#### 4. *Training and Acknowledgment of Terms of Use and Consent*

It is the responsibility of the cardholder to ensure they understand their responsibilities and have been properly trained in the appropriate use of the travel card. Ministries are responsible for providing this training, ensuring cardholders understand their responsibilities and that cardholders have completed and signed the *Travel Card Cardholder Agreement* before cards are issued for use.

#### 5. *Card Use*

The travel card is only to be used for approved government-related travel purchases which are eligible for reimbursement including travel-related cash advances. Travel-related purchases are subject to the federal Goods and Services Tax. The travel card should not be used for purchases that are GST-exempt for which a purchasing card would be used, or for expenditures where other government-approved charge cards are more appropriate.

#### 6. *Payment of Statement*

Billing statements are provided monthly and are to be paid by the employee in full by the due date. Cardholders are responsible for all interest and fees resulting from late payments unless it can be clearly demonstrated that the ministry was responsible for the late reimbursement of travel or business meeting expenses. Cardholders are to make every effort to submit travel vouchers (iExpense) in a timely manner.

### [Procedure Requirements - E.3](#)

#### Service Card

Province of BC service cards are issued for government vehicles and selected equipment, marine vessels and aircraft. Purchasing Services, Common Business Services is responsible for managing the Vehicle Service Card.

1. Service cards must only be used in conjunction with authorized vehicle, vessel or aircraft use.
2. Ministries must ensure that the purchase of goods and services for government vehicles with the Vehicle Service Card is appropriate, and that Vehicle Service Card payments are correct and only for charges incurred by the ministry.
3. Ministries are responsible for the accuracy and completeness of their Vehicle Service Card inventory, and making sure that expired cards, cards no longer required and lost/stolen cards are destroyed, returned or reported.

### [Procedure Requirements - E.5](#)

#### 4.3.20 Obligation to Report to the Comptroller General

1. The *Financial Administration Act*, section 33.2, obligates every member of the public service to report to the Comptroller General any expenditure or payment that they consider contravenes sections 32.1 to 33.1. Parts a. and b. below are intended as general examples only. Applicable sections of the Act require reference for a full understanding of the obligation to report.
  - a. For an expenditure, this may include an authorization that:
    - i. causes the appropriation to be exceeded;
    - ii. reduces the available balance in the appropriation so it cannot meet all the commitments charged against it;
    - iii. creates an unlawful charge against the appropriation;
    - iv. is approved by a person without the delegated expense authority;
    - v. is contrary to a term of an agreement, enactment, Treasury Board Directive or term of a trust.
  - b. For a payment, this may include a situation where:
    - i. the related expenditure was not authorized;
    - ii. an advance payment is made (without receipt of goods or services) and the agreement does not provide for such a payment;
    - iii. the amount paid is unreasonable (other than in emergency or extenuating circumstances, i.e., when costs cannot be estimated or specified);
    - iv. the payment is contrary to a term of an agreement, enactment, Treasury Board Directive or term of a trust.

Information reported will be treated in confidence, unless disclosure is authorized or required by law (for example, under the *Freedom of Information and Protection of Privacy Act*).

The reporting obligation in section 33.2 is in addition to any other duty to report. For example, employees in the public service have a duty to report certain allegations of wrongdoing in accordance with the BC Public Service Agency, Standards of Conduct for Public Service Employees, Policy Directive 5.4.

#### 4.3.21 Authority of the Comptroller General

1. The Comptroller General, under the authority of the *Financial Administration Act*, sections 34(1) and (2), on receiving information from employees under section 33.2 or otherwise, may order:
  - a. that an expenditure is not authorized and that a proposed payment related to the expenditure may not be made; and
  - b. that any other proposed payment that does not comply with the *Financial Administration Act*, or other enactment, may not be made.

#### 4.3.22 Internal Recoveries

Internal recoveries are transfers within the Consolidated Revenue Fund. They include inter-ministry chargeback and recovery of the costs of providing services to other areas in government.

Determination of which services to charge back on a full cost recovery basis or partial recovery basis, and those services not to be charged back, must be done on a case by case basis by applying the following principles:

1. *Demand Driven* - services (and related costs) must be focused on the needs of ministry clients and government, and their ability to control consumption of the services.
2. *Value-Added* - a chargeback process should only be used if there is demonstrable value to ministry clients, government and service providers in incurring the costs involved in administering the chargeback.
3. *Fair and equitable* - chargebacks must be representative of the true cost of service provision with minimal overhead related to other costs (no offloading); over-recoveries should be refunded or future chargebacks should be reduced; all chargebacks must be consistently applied across government (no special arrangements).
4. *Sustainable* - following the business case approach, both the level of service and the means of chargeback need to be well understood, predictable, and realistic in the budget environment that ministries and service providers face.
5. *Flexible and Adaptable* - chargeback methods should reflect the nature of the cost (e.g. per employee), whether it is fixed or variable, method and frequency of payment, and timing (transition/implementation costs versus ongoing costs), and should be adaptable to organizational change.
6. *Accountable* - the chargebacks should reflect the nature of the accountability on the part of the both the service provider (e.g., level of service provision, performance measures) and the ministry (e.g., reasonable and timely forecasts of service requirements, budget flexibility, pricing incentives to adjust behaviour).
7. *Transparent and Accessible Information* - there needs to be access to and full disclosure of information related to the chargebacks so that clients and service providers can readily understand the nature of the costs and thereby avoid any surprises.



## Administration

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### 18.1 Objectives

- economic, efficient and effective use of public resources in service delivery
- support the implementation of government policy and consistent practices across government

### 18.2 General

In general government objectives for administration are pursued through centralization and by ensuring that managers and staff adhere to government-wide policies. All central agencies and ministries have a shared responsibility and interest to ensure that programs are managed and administered in accordance with this policy.

## 18.3 Policy

### 18.3.1 Accommodation

#### a. **Government Program Accommodation**

The objectives for government accommodation are to:

- implement workplace solutions that optimize program delivery capabilities;
- ensure government accountability for the use of accommodation;
- provide functional workplace requirements in a cost effective manner;
- ensure the effective and efficient management of surplus and underutilized space.

Ministries and other publicly funded agencies (Clients) are responsible for:

- identifying program delivery requirements;
- making accommodation decisions, consistent with budgetary and service delivery constraints, taking into account advice on accommodation options provided by the Accommodation and Real Estate Services division (ARES) of government shared services;
- identifying and advising ARES as soon as possible of any surplus and underutilized space.

ARES is responsible for:

- providing real property and accommodation infrastructure services to ministries and publicly funded agencies via specific agreements for services;
- advising on real property and accommodation infrastructure policies, standards/guidelines and best practices workplace provisioning;
- managing the supplier community in delivering workplace solutions;
- providing estimates of accommodation charges to ministries and publicly funded agencies, as required; and
- providing stewardship and management of the government's real property assets entrusted to ARES.

The [Accommodation Agreement](#) (available to Government of British Columbia intranet users only) describes the more technical and operational aspects of the business relationship between ARES and its Clients with respect to accommodations and real estate provisioning. Additional guidance on accommodation requirements is outlined in [section 18.4.1](#).

Policy is as follows:

1. ARES is the shared services provider of real property and accommodation infrastructure services for government. Clients are required to use ARES services unless an exemption or modification is specifically provided in a Special Operating Agency framework agreement or approved by Treasury Board. ARES Clients are listed at [Customers](#).
2. ARES charges for accommodation and real estate services are based upon the government accommodation pricing model.
3. In making accommodation decisions Clients should take into account accommodation options consistent with the policies and standards in the [Government Office Space Standards](#) (GOSS) and the ARES [Technical Manuals](#).
4. Replacement, additional, or new accommodation is permitted only when a Client has operating and

capital funding available in the fiscal year in which services are acquired from ARES and/or its service providers, and the Client is in substantial compliance with [Government Office Space Standards](#) (GOSS).

5. ARES and Clients shall be guided by policies and guidelines issued from time to time by Treasury Board and/or the Office of the Comptroller General (OCG).
6. Parking requirements will be provided in accordance with government parking policy (Public Service Agency directive 4.6, [Appendix 2](#)).

#### **b. Warehouse Space – Consolidated Warehousing Services and Surplus Asset Disposal**

##### *Consolidated Warehousing Services*

Asset Investment Recovery (AIR) partners with ARES for the provision of warehouse space on behalf of ministries to achieve efficiencies and cost savings through consolidated warehousing.

1. All ministry requirements for warehouse space must be directed to AIR.
2. AIR is authorized to secure short-term warehouse space of up to 465.5 square metres for use by ministries. Warehouse space requirements greater than 465.5 square metres must be obtained by AIR through ARES.

##### *Surplus Asset Disposal*

Provides for the redistribution of assets across ministries and the sale of surplus assets to the public, private sector and broader public sector agencies. This program is also the disposal agent for the Federal Government in British Columbia. Methods of sale include cash and carry, offers to purchase via sealed bids, public auctions and via the internet [BC Auction](#).

#### **c. Residential Accommodation**

1. Where there is an identified need, government may provide self-contained residential accommodation to an employee and his or her family. For detailed information, refer to [TB Directive 3/96](#).
2. Ministries have two options for obtaining residential accommodation for employees:
  - lease the accommodation units from ARES; or
  - acquire the accommodation units directly from other sources. In this case, ministries must advise ARES of their intent.
3. Employees that are provided with residential accommodation at less than fair market value are subject to income tax laws and requirements as administered by the Canada Revenue Agency.

#### **18.3.2 Agreements with Other Governments**

1. Treasury Board approval is required for any new agreements over \$2 million, or where there is no set value, with other governments.

For purposes of this policy, "other governments" include federal, provincial, territorial, municipal and regional governments, as well as other forms of local government such as hospital districts and school boards.

#### **18.3.3 Appointments to Government Crown Corporations, Agencies, Boards, Commissions and Administrative Tribunals**

Remuneration of appointees to Crown corporations, agencies, boards, commissions and administrative tribunals must be consistent with the applicable Treasury Board Directive, as follows:

1. Remuneration for appointees to administrative tribunals must comply with [TB Directive 2/07](#);
2. Remuneration for appointees to Crown corporations, agencies, boards and commissions must comply with [TB Directive 1/08](#).

### 18.3.4 Business Meeting and Protocol Event Expenses

1. Ministries must set pre-approval limits for business meeting and protocol event expenses consistent with Expense Management policy [CPPM 4.3](#).
2. Supplier invoices and employee reimbursement claims require approval by the appropriate expense authority prior to payment. For approval of travel expense claims connected with a business meeting or protocol event, refer to [CPPM 10.3.2](#).
3. The expense authority must approve [gratuities](#) over 15%.
4. Ministries must ensure that government-owned meeting rooms are utilized, where suitable, prior to seeking private meeting facilities.
5. The selection of a meeting location must consider the total costs of a meeting, including participant accommodation and transportation, room rentals, meals and other costs. Group transportation alternatives such as group airfare rates, ride sharing, and government or rental vans or buses must be considered over individual travel to a meeting location.
6. Best value for money must be negotiated with suppliers. Where the total costs excluding transportation are anticipated to exceed \$1,000, a bid request must be issued to a minimum of three suppliers.
7. The Protocol and Events Branch, Intergovernmental Relations Secretariat must approve any provincially hosted protocol events, including ceremonial and diplomatic activities.
8. Public funds must not be used to recognize public servants on job transfers. For detail on the permissible use of funds, refer to [BCPSA Recognition Policy Summary](#).
9. All ministry sponsored protocol events must be reported quarterly to the director of the Protocol and Events Office, Intergovernmental Relations Secretariat.

#### [Procedure Requirements - C.17](#)

### 18.3.5 Financial Records

The Administrative Records Classification System (ARCS) and the Operational Records Classification System (ORCS) support policy in this section. The policy applies to paper financial documents, but not to electronic records or payroll documentation. In addition, the policy does not apply to financial documents that are maintained by ministries for operational purposes.

#### a. **Administrative Financial Documents**

1. Ministries are responsible for financial documents generated at the ministry level and are accountable for the retention and retrieval of paper financial documents.
2. Ministry chief financial officers are responsible for original paper financial documents, under the functional control of the ministry records officer. The chief financial officer is accountable for the proper storage, preservation, access, retrieval and disposition of original paper financial documents of the ministry.
3. The office of the chief financial officer must be the Office of Primary Responsibility (OPR) for original paper financial documents, unless this function is delegated and the OPR is designated to some other office(s) of the ministry.
4. Ministries affected by a program transfer or split must identify the specific time at which responsibility for the retention of paper financial documents for the program must also be transferred. The ministry formerly responsible for a program must normally continue to administer documents created prior to the transfer and must provide the successor ministry with financial documents upon request. The successor ministry must respond to inquiries under the *Freedom of Information and Protection of Privacy Act*.

#### b. **Storage**

1. Ministries may use their own storage facilities or those of private sector firms during the active storage period. For semi-active records, ministries must use facilities administered by the chief information officer.
2. Ministries must ensure that storage facilities conform to standards established by the chief information officer. Arrangements for and costs of storing and retrieving active paper financial documents in offsite facilities must be

borne by the ministry.

3. Paper financial documents on facsimile paper other than plain bonded paper must be photocopied for purposes of retention.

### **C. Access and Retrieval**

1. Access and retrieval practices, including retrieval times from onsite and offsite storage facilities, for paper financial documents must conform to standards established by the chief information officer.
2. Original paper financial documents must not leave the control of the ministry except for requests from the following:
  - Office of the Comptroller General;
  - Office of the Auditor General;
  - Office of the Ombudsperson;
  - Office of the Information and Privacy Commissioner;
  - Public Accounts Committee of the Legislative Assembly; and
  - Courts of law.

These entities are responsible for original documents in their possession and must obtain copies or view originals at the ministry's premises where practicable. Requests from the Public Accounts Committee must be made through the Office of the Comptroller General. The ministry must provide all other users with copies unless an original is required by law.

3. Ministries must retrieve and deliver paper financial documents stored in onsite facilities within the following time periods of receiving a request:
  - where the document and the requester are located in the same city:  
Regular: 24 hours  
Emergency: 4 hours
  - otherwise:  
Regular: 48 hours  
Emergency: 24 hours
3. Ministries must retrieve and deliver paper financial documents stored in offsite facilities within the following time periods of receiving a request:
  - where the document and the requester are located in the same city:  
Regular: 24 hours  
Emergency: 4 hours
  - otherwise:  
Regular: 72 hours  
Emergency: 24 hours

### **1. Access to Information by the Office of the Auditor General**

The Auditor General is an officer of the Legislature, independent from government, with authority to obtain information to carry out the mandate of the office. The Auditor General is directly entitled to access to

information under section 16 of the [Auditor General Act](#). Any concern about access to personal information by the Auditor General needs to be directed to a ministry director/manager of Information and Privacy. The disclosure of personal information that may be contained in records requested by the Auditor General is authorized under sections 33.1(1)(c) and 33.2(f) of the [Freedom of Information and Protection of Privacy Act](#).

1. Information requested by the Auditor General to perform the mandate of the office must be promptly provided, except information that is subject to:
  - public interest immunity; or
  - solicitor-client privilege.
2. If a ministry in possession of information requested by the Auditor General is unsure whether or not public interest immunity or solicitor-client privilege applies to that information, the ministry should consult with the Comptroller General and obtain legal advice from Legal Services Branch, Ministry of Attorney General on the question.
3. If information requested by the Auditor General is subject to public interest immunity or solicitor-client privilege, refer to specific guidance in [section 18.4.2](#).

### 18.3.6 Forms

1. Proposals to create, eliminate or revise any government-wide [financial form](#) (government access only) must be submitted to the Financial Management Branch (FMB), Office of the Comptroller General, for review and approval. FMB will consult with chief financial officers and other government offices as necessary prior to final approval.
2. Ministry chief financial officers, through ministry forms officers, are responsible for the development, maintenance and use of financial forms specific to their ministry needs and must ensure that:
  - government-wide financial forms are used where feasible;
  - the proliferation of ministry forms is controlled;
  - unnecessary duplication of forms is minimized; and
  - ensure that any proposed ministry form undergoes an analysis of costs and benefits to support its production.

Policy regarding non-financial or general government forms is included in Information Management, [Forms Management](#).

### 18.3.7 Honoraria

1. BCPSA Human Resource [07. Policy Statement – Pay, Benefits and Leave](#) on honoraria states that employees are not eligible to receive honoraria from government. An honorarium is a nominal lump sum payment for a service or action. If the employer needs to compensate employees for work that is outside of their job duties (such as speaking engagements or making special presentations) and is not covered by their regular salary, a contract should be established with them for the additional service or action.
2. Payments of honoraria to non-employees are not recommended. Any honorarium paid that exceeds \$500 in a calendar year must be reported on a T4A. To the extent that honoraria support program delivery and are within vote descriptions, payment must be charged to an operational STOB. A standard service contract must be used in support of the payment. If the amount is not significant (e.g., less than \$1,000) and one time only, a letter may be used instead of a standard service contract. In the case of volunteers, it is generally appropriate to award a token gift but not to make an honorarium payment.

### 18.3.8 Information and Communication

#### a. **Communications and Advertising**

The Public Affairs Bureau (the Bureau) provides centralized communication management for government. The Bureau determines the roles and responsibilities relating to communications services, materials and paid advertising, and maintains a list of qualified suppliers for full service communications and advertising agencies.

Functional responsibilities vary depending on the type of information or materials required (i.e., informational or statutory as defined in the [Communications Materials and Services Policies and Procedures Manual](#)). The

Bureau should be consulted regarding specific government requirements.

1. Ministries must obtain Bureau sign-off, through the Communications Director assigned to the ministry, for any materials prepared for public consumption, regardless of the medium used.
2. Ministries must provide the Public Affairs Bureau, Graphic Design Unit with:
  - an electronic copy of images used for inclusion in the corporate image bank; and
  - a hard copy of all publications produced for inclusion in the corporate publications library.

**b. *Public Opinion and Market Research***

The Public Affairs Bureau (the Bureau) provides centralized coordination of government research initiatives and maintains a list of qualified suppliers for public opinion and market research consultants.

1. Ministries must submit all research requirements to the Bureau for approval. The Bureau will select a qualified supplier from their listing on behalf of ministries. Ministries should consult with the Research Advisor, Public Affairs Bureau, to determine the best methodology to meet ministry demands, the value of the work required and whether a Request for Proposals is needed.
2. The Public Affairs Bureau must approve all subcontractors conducting public opinion or market research, in particular for advertising testing, on behalf of communicating agencies. This policy applies to ministries requiring information for benchmarking, and data and client satisfaction information to fulfill service plan requirements.

**c. *BC Mail Plus Mail Processing and Distribution, Mail Preparation, Variable Data Printing, Scanning, Identification Card Production and Employee Household Relocation***

BC Mail Plus provides mail processing and distribution services to ministries and government funded agencies on a cost recovery basis. BC Mail Plus establishes standards and procedures for all government mail services and is available to assist ministries and government funded agencies in establishing economical and efficient processes. Ministries are advised of standards and procedures, mail rates and current issues, such as the handling of suspicious mail, through [BC Mail Plus](#).

Ministries are responsible for managing their outgoing mail volumes and postal expenses within base budgets, including BC Mail Plus service costs. BC Mail Plus is available to recommend economic and efficient commercial couriers for items of an urgent nature. Ministries are encouraged to consult with BC Mail Plus prior to entering into a continuous courier contract.

BC Employee Relocation Services coordinates government employee relocations, including the relocation of government employees' personal effects throughout the province, across Canada and to and from international locations. The [Employee Move Authorization](#) form (Fin191, PDF) can be found at Ministry of Labour and Citizen's Services' BC Mail Plus.

1. Ministries must provide BC Mail Plus with general ledger account coding for each mailing location and BC Mail Plus must supply ministries with pre-printed mail tickets to automate the chargeback process.
2. Ministries must ensure that all government mail is prepared in accordance with BC Mail Plus standards (e.g., address accuracy) to maximize postal rate discounts.
3. Ministries must implement internal office mail processes consistent with postal service standards outlined in the BC Mail Plus Customer Guide.
4. Ministries must consult with BC Mail Plus when designing new forms and envelopes for automated mail processing to avoid non-standard mail charges.
5. Ministries must consult with BC Mail Plus before entering into contracts or purchasing any mailing equipment to perform mail preparation, large volume scanning or mailing tasks. BC Mail Plus provides bulk mail preparation services, through use of high speed mechanical processing equipment and private sector contractors. Services include folding, inserting, inkjet addressing, incentive rate preparation and self mailer applications. Related services include creating and maintaining customer mailing lists; data analysis services which provide address accuracy, postal code correction, standardized address formats

and incentive rate sorting on an economic basis.

6. Ministries must ensure that articles are not sent through the mail system if they could harm postal employees, or could soil or damage other mail, postal equipment or property.
7. BC Mail Plus must not be used to deliver or receive personal mail and the Fax Messaging System must not be used to transmit personal material.

d. ***Printing, Publishing, Stationery and Office Products, and Protocol Giftware***

The Queen's Printer (QP) provides printing and publishing services, stationery and office products, and protocol giftware to the Legislative Assembly and ministries as well as some government funded agencies and Crown corporations. The Queen's Printer operates on a full cost recovery basis. The Queen's Printer has purchasing authority for printing, publishing, stationery and office products, and Protocol giftware.

*Printing Services*

1. Requests for printing and related services must be submitted to the Queen's Printer. Products such as digital black and white and colour copying services, business cards, letterhead, memorandums and envelopes may be ordered electronically (see Electronic Supply). Emergency requests will be accepted by telephone (250 387-3309).
2. Ministries must consult with the Queen's Printer before entering into contracts or purchasing any equipment to perform Printing Services. Printing Services include:
  - Black and white digital printing/copying;
  - Colour digital printing and copying;
  - Wide format production;
  - Variable data printing;
  - Web page development and hosting;
  - Graphic design;
  - Desk top publishing/typesetting;
  - Electronic publishing;
  - Print on demand;
  - Document management;
  - Printing project management;
  - Digital disc duplication; and
  - Print Brokerage Services-Contracting Printing from the private sector.
3. The Queen's Printer will provide estimates and/or quotations when requested to do so. Estimates are an approximate cost of the order (plus or minus 10%), based on a description of the work to be done. Quotations are a firm written commitment on the price of the job, based on an accurate written specification or printed sample from the customer.

*Queen's Printer Publishing Services*

Operates the BC Government Publications Index, which provides a common entry for the public to access government publications through the internet (Publications.gov.bc.ca).

This program manages the printing and distribution of publications for customers on a consolidated basis, including use of on-demand printing and electronic warehouse.

Publications Services produces the BC Gazette and the BC Government Telephone.

Access to current legislation is made available to the legal community, ministries and other agencies through an online subscription service called "QP LegalEze", which provides services to

ministries to keep their legislation current. Printed copies of legislation are made available through Crown Publications Inc, a private sector marketing and distribution agent of the Queen's Printer.

A Content Management System is also operated in which document management applications are developed for customers where version control, workflow and publishing in numerous formats is required. (e.g., paper, the Internet, CD Rom).

#### *Queen's Printer Open School BC*

Publishes print and interactive online educational resources and courses. Core services include design and development of content for a variety of different learning situations, including use in a classroom and through the Internet. Whether it's Kindergarten or Grade 12, adult learning or specialized content, sound educational design and quality of content is delivered. Consistent processes are provided for needs assessment, design and development services, and various media are used to make the content interesting and enjoyable for the learner.

#### *Office Products, Stationery and Protocol Giftware*

1. Ministries must acquire their stationery, office products and protocol giftware from the Distribution Centre Victoria, or for items not stocked at this centre from the Corporate Supply Arrangement(s) established by Distribution Centre Victoria. These orders can be electronically submitted to the Distribution Centre Victoria at <http://pss.online.gov.bc.ca/DCV/>, Electronic Catalogue. In order to place an order as a government entity, contact should be made with Customer Service at 250 952-4460, or by email to set up a customer number.
2. Ministry offices not having access to the internet may submit orders by facsimile 250 952-4431, using Customer Order Form OPC# 7530951010, or by telephone 250 952-4460 or 1 800 282-7955 toll free.
3. Government stationery and office supplies must only be used for government business.

#### 18.3.9 Relocation

1. Regular and eligible auxiliary employees, who have to move from one geographic location to another after winning a competition or at the request of their employer, are entitled to relocation expenses. For specific entitlement information, refer to:
  - chapter 5, section 38, [BCPSA Personnel Policy Manual](#); and
  - [collective agreements](#).
2. Relocation of an employee's household must be handled by the [BC Employee Household Relocation Services](#) (BC Mail Plus).

#### [Procedure Requirements - C.16](#)

#### 18.3.10 Shared Services

Common Business Services is a component of Solutions BC, Shared Services (Solutions BC). Solutions BC was formed to provide shared services in business areas such as:

- payroll;
- procurement (Queen's Printer, BC Mail Plus, Distribution Centre Victoria, Product Distribution Centre, Purchasing Services, IT Procurement Services, Asset Investment Recovery);
- strategic acquisitions and intellectual property management;
- information technology and archival of corporate information (CITS);
- finance and administration; and
- other common services across government.

The objective is to provide quality support services while ensuring that overall service delivery processes are streamlined and not duplicated. Depending on business needs, agreements on functions to be provided, service levels, costing and billing,

performance and reporting requirements will be developed. For additional information, refer to the [Shared Services](#) internet site.

Policy is as follows:

1. Shared services are exclusive and ministries must not outsource any shared service provided functions during the 36 month startup period, April 1, 2003 to March 31, 2006.
2. After March 31, 2006, any plans by ministries to outsource shared service provided functions must be approved by the Deputy Minister's Client Committee on Shared Services. Ministries seeking approval must prepare and submit a business-case analysis.

## 18.4 Information and References

### 18.4.1 Guidance on Accommodation

#### a. **Government Accommodation Pricing**

The pricing model has been endorsed by the ADMs of Corporate Services Committee and the Shared Services Board of Directors. It is consistent with and supports the guiding principles for pricing and charge backs for provincial shared services providers (i.e., client driven, value-added, fair and equitable, sustainable, flexible, accountable and transparent).

Pricing is based on a cost recovery funding model. The pricing approach for the main categories of services provided by ARES is as follows:

1. Space in market properties: Clients will be charged market comparable rent based on rentable area. Rental rates will be determined through appraisals and other standard market practices.
2. Space in special purpose and leased properties, and other services provided: Clients will be billed an amount covering: (i) amortization and improvements costs for space in special purpose buildings; (ii) all direct external costs for the provision of space and/or services by third parties; and, (iii) labour recovery costs on ARES additional services.
3. ARES operating costs: Any positive margin from market property rentals, as well as labour recovery on ARES additional services will be applied against these costs. The balance will be recovered through an infrastructure allocation fee.

#### b. **Accommodation Agreement**

The [Accommodation Agreement](#) (available to Government of British Columbia intranet users only) provides the details of the current technical and operational aspects of the business relationship between ARES and its mandated Clients. The agreement builds on the foundation provided by the government accommodation pricing model.

#### c. **Government Office Space Standards (GOSS)**

ARES advises on the development of GOSS for accommodation. Accommodation should meet users' functional space requirements and be cost-effective. These standards are applicable to the upgrading, changing or new development of any government office accommodation. GOSS includes the approval for ministry specific or program space standards. These standards do not apply to non-office facilities such as warehouses or institutional properties.

### 18.4.2 Guidance for Auditor General Information Requests

- a. If information requested by the Auditor General is subject to public interest immunity or solicitor-client privilege, the government's options are to:
  1. *Disclose the information unconditionally*  
If the information is subject to public interest immunity, this option requires a decision not to assert the immunity. If the information is subject to solicitor-client privilege, a decision to waive the privilege is required. Part b below describes who can make those decisions.
  2. *Disclose the information conditionally*

This option involves asserting the immunity or privilege and only disclosing the information to the Auditor General on the condition that the Auditor General agrees not to disclose the information outside the Office of the Auditor General without first giving enough notice to the government to take appropriate action. Part c describes how the terms for conditional disclosure are to be entered into and outlines sample language for conditional disclosure.

3. *Refuse to disclose the information*

This option may involve refusing to disclose entire documents (where the privilege or immunity applies to entire documents) or only portions of documents (where the privilege or immunity only applies to portions of documents that can be severed prior to disclosure).

- b. For information that is subject to public interest immunity, the decision on which option in Part a to choose is to be referred to the Cabinet Office. For information that is subject to solicitor-client privilege, the ministry with possession of the information and Legal Services Branch, Ministry of Attorney General must jointly decide on which option in Part a to choose. If they cannot agree, the decision may be made by the Attorney General if litigation is involved or otherwise by the Lieutenant Governor in Council.
- c. The terms for conditional disclosure must be entered into through Legal Services Branch, Ministry of Attorney General. Sample language for a letter setting such terms is as follows:

This letter is to confirm that it is the government's position that the documents you have requested are confidential and subject to [public interest immunity/solicitor-client privilege].

This letter is also to confirm the terms on which the government is providing the documents to your office and which reflect the usual arrangements for the provision of such documents to take into account your office's policy of circulating for comment draft versions of reports to interested parties.

These terms are as follows:

- 1. Your office will notify us if it plans to disclose to anyone outside your office (including as part of your office's policy of circulating for comment draft versions of your reports to interested parties) any information in or about the documents not already in the public domain so that the government may consider whether it has any objection in the circumstances to the planned disclosure.
- 2. Such notification will be provided sufficiently in advance of any planned disclosure of the information so that there will be time for meaningful consultation between your office and the government or for other actions as may be necessary in the circumstance.