
SECTION 10

ACCOUNTABILITY AND GOVERNANCE MATTERS

10.03 REPORTING ENTITIES – GOOD GOVERNANCE POLICY

AUTHORITY: *FINANCIAL ADMINISTRATION ACT*

ADMINISTRATION: TREASURY BOARD SECRETARIAT AND
DEPARTMENT OF FINANCE

EFFECTIVE DATE: JUNE 2024

10.03 REPORTING ENTITIES - GOOD GOVERNANCE POLICY

(1) PURPOSE

The purpose of this policy is to establish and communicate Government's minimum expectations for Boards and members to ensure they fulfill their fiduciary functions.

(2) APPLICATION

This application of this policy is referenced in the schedules of the Financial Administration Act (FAA) and applies as follows:

- Schedule "B" - Crown corporations;
- Schedule "C" - Education Authorities;
- Schedule "D" - Commissions; and
- any other reporting entity with a financial component and/or financial impact on Public Accounts.

(3) DEFINITIONS

"**Reporting entity**" means an organization that

- (i) is not listed in Schedule "A" of the FAA, and/or
- (ii) is accountable for the administration of its financial affairs and resources to a Minister or through a Minister to the Legislative Assembly and includes those listed in Schedules "B", "C" or "D".

(4) POLICY

Reporting Entities:

Reporting entities are required to:

- (a) Maintain and conduct a formal board orientation program that provides a clear outline of board roles, responsibilities, and structural relationships, along with board by-laws and mandates or terms of reference;
- (b) Provide regular training opportunities for board members;
- (c) Maintain a Strategic Plan, that includes information technology strategies, and regularly update the plan as the goals and mandate of the organization change;
- (d) Establish a minimum number of board meetings which departmental Ministers, or their representatives, are to attend annually;
- (e) Report publicly as an entity, on an annual basis, on the mandate and performance of the organization, in accordance with section 70(5)(b) of the FAA;

- (f) Collect Conflict of Interest declarations forms annually from each board member, in accordance with Section 5.03 of the Public Service Commission Human Resource Policy and Procedures Manual;
- (g) Collect Board Certifications annually from each board member indicating they have read and understand the guiding principles of the Board, have read the applicable Board Handbook, and will faithfully fulfill their fiduciary duties as a board member. A standard template is provided as Attachment 10.03-I;
- (h) Establish a finance committee and any other sub-committees of the Board that are required to promote effective Board Governance;
- (i) Complete performance evaluations annually for Chief Executive Officers or equivalents; and
- (j) Evaluate the effectiveness of Board of Directors annually, which includes documented performance measures that are important to each Reporting Entity.

Departments:

Departments responsible for each Reporting Entity are required to clearly communicate Government's public policy objectives annually, as they relate to that specific crown, in a formal letter from the Minister to all members of the Board.

Annual Reporting:

Each year, reporting entities shall provide the following reports or forms to their Departments by December 31st, as follows:

- (a) Annual Report
- (b) Conflict of Interest declaration forms
- (c) Board Certification – Fiduciary Duty forms (Appendix I)
- (d) Performance Evaluation – CEO or equivalents
- (e) Performance Evaluation – Board Members

(5) INTERPRETATION

In cases where an interpretation is required, such should be referred to the Secretary to Treasury Board, or their delegated officer, who will make the interpretation or refer the matter to Treasury Board, if a Treasury Board decision is deemed necessary.